Enhancing Governance and Accountability Capacity.

Ontario Colleges of Applied Arts and Technology

Findings Report

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Overview from the Steering Committee

In February 2004, the Deputy Minister of the Ministry of Training, Colleges and Universities (MTCU) announced a project to support ongoing development and continuous improvement in governance and accountability capacity within the colleges.

The project was initiated within the following context:

- The increased autonomy and enhanced accountability for college boards of governors resulting from the proclamation of the *Ontario Colleges of Applied Arts and Technology Act, 2002* (the Act);
- The Ontario government's announcement of multi-year base funding for broader public sector organizations and the intention to enhance the development and use of high quality information to support decision-making in the public sector;
- Taxpayers' increased value-for-money expectations and both their and government's closer attention to institutions' governance practices; and,
- A number of private and public sector scandals that led to the establishment and application of modern controllership principles in private and public sector organizations.

In preparation for the introduction of the new Act in 2002, the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) the College Compensation and Appointments Council (CCAC) and the Ministry of Training, Colleges and Universities (MTCU) worked closely together on six governance projects – a Board Appointment Protocol, a Conflict of Interest Directive, an Orientation to the College Charter, Board/CEO Relations, Role of the Board Secretaries and Presidents' Secretaries, and a revised Governors Resource Manual – which focussed on assisting the colleges in carrying out their responsibilities under the new Act.

Based on the success of the previous collaborative work, the Deputy Minister announced that ACAATO, CCAC and MTCU had agreed to direct work on the next phase of an initiative aimed at enhancing the governance and accountability capacity within colleges. From the outset, the strength of governance in the colleges was recognized and acknowledged by the partners whose intent it was to build on this strength and take governance to another level within the system.

Funding for the project was provided through a Ministry of Finance initiative aimed at building alliances and strengthening partnerships to support on-going development and continuous improvement and accountability capacity with the broader public sector - colleges, universities, school boards, hospitals, municipalities, and social service agencies.

A Governance and Accountability Partnership Steering Committee, established to guide the project, was co-chaired by the Assistant Deputy Minister, Postsecondary Education and the Chair of the Executive Committee of the ACAATO Board of Directors. In addition to the co-chairs, the committee included:

- three college governors;
- a college president;
- a vice-president administration/board secretary;
- two representatives from the CCAC;
- the Director of the Colleges Branch; and,
- a representative from the Ministry of Finance.

A Working Group Secretariat comprised of a project coordinator and a representative from ACAATO, CCAC and MTCU assisted the Committee.

Mandate

The Committee's Phase One mandate was to engage a consultant to conduct a survey of governance and accountability capacity within the colleges. The survey was to be followed by focus groups discussing how to support and enhance governance and accountability capacity.

Throughout Phase One, the Partnership Steering Committee:

- oversaw the overall design and implementation of the project;
- approved the RFP and criteria for evaluating the proposals received;
- reviewed the final evaluation of the proposals and approved the successful consultant – Deloitte;
- met with Deloitte and reviewed and approved the overall plan and college consultation process;
- received monthly reports from the secretariat and/or Deloitte;
- received and approved the final report; and,
- developed goals for Phase Two.

The results from Phase One, along with further input from the college system and selected stakeholders, will be used to guide Phase Two which will focus on developing a three-to-five-year Governance and Accountability Capacity Enhancement Plan to support and supplement existing learning and development opportunities in college governance.

General Principles

The following guiding principles were adopted to help guide the work undertaken by the consultant:

- Enhanced governance and accountability capacity is in the public interest;
- Each individual board of governors is responsible for its own governance practices and ongoing development;
- Good governance practices ensure that the interests of all stakeholders, including students and taxpayers are appropriately recognized and protected while accountability and transparency ensure that desired results are achieved;
- The traditions and values of individual colleges will be honoured; and,
- There is value in sharing best practices and resources for the discretionary use of boards and individual board members.

The following pages provide a snapshot of perceptions of the state of governance and accountability in Ontario's college system from the perspective of a number of internal and external college governors and senior college administrators.

Above all, the work demonstrates that governance and accountability is a partnership between boards of governors and college management. It also shows that the college system has a number of activities, processes and tools related to governance and accountability capacity in place at all levels – individual board members, individual colleges, regionally and provincially.

Providing ongoing support to boards as they move forward in implementing their responsibilities is a key priority for government. While colleges are keen to continue to be leaders in their field, many recognize that achieving this goal rests with their ability to maintain and develop long-term capacity building in governance and accountability.

The success of Phase One of the College Governance and Accountability Capacity Enhancement Project is fundamentally due to the participation and contributions made by members of college boards of governors and senior college staff. On behalf of the Partnership Steering Committee, we would like to express our deep appreciation for your support in assisting the project meet its objectives.

Executive Summary

Overview

Deloitte was retained by a partnership of the Ontario Ministry of Training, Colleges and Universities, the Association of Colleges of Applied Arts and Technology of Ontario and the College Compensation and Appointments Council to undertake a study to assess the current state of governance and accountability capacity building (e.g. on-going education) for Ontario's colleges of applied arts and technology boards of governors. In addition to undertaking an on-line survey with board governors and senior college staff supplemented with follow-up focus groups, the study also gathered data on governance external "best practices".

While board governance practices within colleges do not operate on a common platform, there is guidance, support and oversight provided through the College Compensation and Appointments Council (CCAC). The CCAC provides each governor with a resources manual (available on-line at the CCAC website) which includes relevant legislation and regulations and a governance and accountability framework. Individual colleges develop their own governance policies, procedures and practices (including recruitment processes, orientation, performance assessment, professional development, strategic planning, risk management, etc.).

Key Findings

Overall, the results of the survey and the focus groups provide a "good news story." Key findings from the survey, confirmed through eight focus groups with college board members and senior staff, include:

- current board members have significant experience in working with boards, both within the public and private sectors;
- based on a self-assessment across a number of critical areas of board responsibilities, survey respondents rated both themselves individually, and their overall boards collectively, as very strong in terms of available expertise;
- board members did not report experiencing constraints in fulfilling their responsibilities, even though most survey respondents reported contributing over two days a month to board responsibilities;
- virtually all survey respondents reported strong support for a mandatory board self assessment process;
- current orientation programs were viewed very positively in assisting board members to prepare for their role and responsibilities;
- boards may not yet have a rigorous process for overall self-assessment. As a result there could be significant opportunities to provide board members with learning and growth strategies; and,
- there is a preference for learning opportunities that are live and interactive.

The one area that differed significantly between survey results and the focus groups, was the degree to which focus group participants expressed frustration with the lack of a strategic vision for the college system overall and predictability in funding. There was a sense, however, that improved funding stability and a related strategic vision for the college sector in the province would contribute to improved system-wide planning and service delivery.

Through the focus groups, a number of internal best practices were identified, including (please note that individual tools were not reviewed and assessed):

- a competency and skills based approach to member recruitment that is, in turn, based on a defined matrix of required skills and attributes;
- an annual board assessment process to support on-going professional development;
- tools used to assess the performance of college presidents; and,
- orientation practices, particularly given the combination of the ACAATO-delivered sessions and individual college sessions.

Challenges and Next Steps

The identified challenge for colleges with respect to next steps in the continuing effort to enhance and build governance and accountability practices is:

- the somewhat varying nature of current practices; and,
- the lack of a framework against which to assess effectiveness.

In addition, as was often noted, the number of effective practices (process, tools and methodologies) to plan, manage and assess good governance is both widespread within the Colleges themselves, as well as being readily available for other sources. However, as is often the case, there is no formal process and knowledge management framework to gather, disseminate and measure the success of practices.

Going forward, the need for a defined strategy to gather and disseminate best governance practices was viewed as important. Within the overall framework, high priority areas that were identified include the following:

- strategic planning and risk management;
- board performance assessment, board succession planning; and
- the design and delivery of on-going professional development (i.e. capacity building mechanism).

The challenge, of course, is balancing the time demands required for on-going professional development and governance renewal with a board's on-going, broader fiduciary duties and responsibilities. The risk of not being attentive to the demands of governance renewal, of ensuring effective board-based stewardship of public sector organizations far outweighs the challenge of time. As the private sector struggles to rebuild shareholder confidence, so to must the public sector continue to assure broad stakeholder confidence in core public sector institutions and none more so than education and heath care.

1. Introduction

The Ontario Ministry of Training, Colleges and Universities (MTCU) in partnership with the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) and the College Compensation and Appointments Council (CCAC), with project funding provided by the Ontario Ministry of Finance, commissioned Deloitte to undertake a study to both assess the current state of governance and accountability capacity building (i.e. education, development, learning) within Ontario's colleges and provide a "learning strategy," as required, to assist in further enhancement of governance and accountability capacity.

The initial Request for Proposal (RFP) and the Project Steering Committee clearly defined the scope and parameters of the study (please see Appendix A for a list of Steering Committee members). In this regard, it is important to stress that the study was not intended to be a review of the current state of governance practices and effectiveness of Ontario college boards of governors, whether by individual institution or globally (all 24 colleges). Rather, the study was designed to focus on both the processes and requirements for continual enhancement of governance and accountability – that is, how boards identify and deliver the necessary training and education for board members. Deloitte was retained to undertake the following key activities:

- design, implement and analyze an on-line survey to develop a "current state" profile of existing practices and needs for board learning and development;
- conduct focus groups with college governors and senior staff members (e.g. presidents, vice presidents) to further probe key survey findings;
- undertake market research in order to identify external "best practices" for the public and private sectors (please note that while the survey and focus groups focused on learning and development practices and needs, the best practices research encompassed all dimensions of "good governance"); and,
- based on the above, develop a "learning strategy" to address identified needs (to be undertaken as Phase II of the current project – preliminary outline provided in this report).

This report presents the key findings from each of the survey and focus group components of the study as well as presenting select governance external "best practices" and suggesting next steps for the on-going enhancement of effective board governance.

2. Findings

Introduction

This section of the report provides detailed, key findings emerging from each of the on-line survey and the focus groups. Prior to presenting the key findings, a brief overview of each of the survey and focus groups is provided. Findings are then presented under the following major headings in this section of the report:

- Board Processes and Structure
- Board Operating Constraints
- Board Profile - Experience and Expertise
- Orientation
- Board Self Assessment
- Learning and Development

On-Line Survey

As a first step in the project, there was a requirement to collect data on current learning and development practices, needs and requirements across Ontario colleges' board of governors. Two key groups were identified as potential participants – current and past board members as well as senior staff in the colleges that had a direct working knowledge of their respective boards (e.g. presidents/vice presidents). Working with the board secretaries, a confidential list of potential participants was identified, totalling 525.

Through an interactive process with the Steering Committee, an on-line survey was developed in both French and English (see Appendix B for a copy of the survey and Appendix C for detailed results). A series of communications were sent to all potential participants inviting participation and providing each participant with secure web-site access. Over the three week time allotted for participation, 265 individuals responded, representing a 50% participation rate. All data, findings and conclusions have been reported at the aggregate level and not compiled nor reported on an institution-by-institution basis.

Survey data based on participation from 265 board members and college senior staff.

The 265 respondents are comprised of 197 board members and 68 college senior staff (non-board members). The non-board member participants were identified by the president and board chair of each college based on the participant having a strong working knowledge of/with the board in order to provide meaningful input. Of the 197 respondent board members:

- 55% are external appointments;
- 36% internal representatives; and,
- 9% indicated not applicable.

For analytical purposes, the board/non-board and internal/external board profiles were used for undertaking "data cuts" and related reporting. All data has been held by Deloitte in a confidential database, and while the database will become the property of the MTCU, all institutionally-specific and incumbent identifiers will be removed to provide for on-going confidentiality. Deloitte has been solely responsible for all data analysis and reporting.

Focus Groups

In order to challenge and validate the key findings emerging from the survey results, a series of focus groups were held across the province, in both French and English. Eight unique sessions were conducted with approximately 60 participants (both board members and college staff). Prior to each focus group, a brief package was distributed to all participants to provide appropriate background and context (please see Appendix D). Working with the project steering committee, key areas for discussion were identified and included presentation of key findings as well as in an in-depth summary of core areas – board roles and responsibilities, orientation and assessment processes, current and future learning and development needs/processes. Individual names of the participants are not reported. Focus groups were held at the following locations, with multiple colleges attending each event. Sixteen colleges participated in the focus groups.

Sixteen colleges with 60 participants provided input at eight focus group sessions.

Host Colleges

- Algonquin
- Boreal
- Confederation
- Fanshawe
- George Brown
- La Cite
- Loyalist
- Sheridan

Key Findings

Board Process and Structure

While the study was not intended to assess the effectiveness of current board practices, a question focusing on the existence of various board processes was included (question 5). Survey participants were asked to assess the degree to which formal, established processes exist on a number of critical areas of board responsibility. While detailed results may be found in Appendix C, overall the survey suggested that boards have established core management processes in place. Eighty percent (80%) or more of the respondents suggested that boards have established core management processes in place.

The majority of board responsibilities are governed by well established policies and practices.

However, there were a select number of areas where respondents reported somewhat weaker areas of policy development. For example:

- forty-four percent (44%) of all respondents indicated that formal processes exist in the area of risk management while 41% reported "somewhat";
- fifty percent (50%) of respondents indicated that formal processes exist in the area of continuous quality improvement while 36% reported "somewhat";
- fifty-four (54%) of respondents indicated that formal processes exist the area of stakeholder management, while 35% reported "somewhat"; and,
- fifty-seven (57%) of respondents indicated that formal processes exist for identifying and addressing government priorities, while 34% indicated "somewhat".

While focus group participants were not asked directly about policy and practices, it became clear that there was a wide range of variability in these areas. The participants also suggested that enhanced sharing amongst the colleges (e.g. performance processes, president reviews, risk management frameworks, etc.) would not only contribute to time management and a greater degree of consistency and comparability across the sector, but would also be a foundational component of the emerging learning strategy.

The right balance of structure of committees is a key component to effective governance.

In addition, the focus groups indicated that there is a great degree of variation in board structure (e.g. use of committees). Variation in size and composition of board structure is neither inherently good nor bad and the intent of this review is not to assess board effectiveness. However, as was reported through the focus groups, in some instances boards have a number of committees, while in other cases the board functions as a committee-of-the-whole on all issues. While board structures must reflect unique demands and operating culture of each college, committee structure and effectiveness must be a core component of on-going board assessment. Board members should neither be stretched by too many commitments through committee membership, nor expected to provide deep expertise on all issues (no/too few committees).

Board Operating Constraints

All survey participants were asked to rate the degree and nature of constraints that may exist in the context of fulfilling board responsibilities (please see Appendix C, Question 6 for details). Board members reported experiencing minimal constraint in any of the sixteen core dimensions—somewhat surprising given the increasingly complex and demanding environment of board stewardship. The only areas that were identified as having a moderate to significant degree of constraint were as follows:

- fundraising and philanthropy (20%);
- risk management (20%); and,
- identification and addressing government practices (18%).

Time was the constraint most identified by survey respondents as impacting their work.

All other dimensions were reported at less than 18% for a moderate to significant degree of constraint. Typically, for all dimensions, where participants indicated experiencing a moderate to significant degree of constraint in delivering on board responsibilities (Question 6a), the two key causes for this were:

- available expertise/experience on or to the board; and,
- clarity in the role and responsibility of the board.

Overall, regardless of the degree of the constraint (from minimal to significant), the two most frequently reported responses were time and information.

Internal board members reported a marginally higher degree of experience constraint than did external board members.

Given the varying survey participant profiles – board and non-board members and internal/external board member split, analysis was undertaken to determine whether any of these dimensions had an impact on the degree and nature of constraint experienced. As outlined in detail in Appendix C (Questions 6), there was no tangible impact overall with any differences quite limited in magnitude. Overall, board members reported experiencing a lesser degree of constraint than did non-board members, which from governance perspective is good news.

When the board member population is analyzed based on an internal/external split and the degree of constraint experienced, internal members experienced a slightly higher degree of constraint than did external members (although, overall, both groups expressed minimal constraint on all dimensions). Those areas where internal members reported a 10% or greater variance than was the case with external board members included:

- human resources management related to the president;
- stakeholder communication;
- governance practices and accountability;
- knowledge and understanding of the postsecondary environment; and,
- financial and information management.

In general, both internal and external board members reported a mix of information and time limitations as impediments or constraints. Other areas that were identified by internal board members as experiencing constraints due to a lack of understanding or available expertise included:

- fundraising and philanthropy;
- financial and information management;
- risk management; and,
- continuous quality improvement.

External board members indicated risk management and fundraising and philanthropy as being areas of responsibility constrained due to a lack of understanding or available expertise/experience.

Sector-wide "vision" and lack of predictable, long-term funding are reported as a major frustration and challenge.

While the survey results told one story (i.e. limited constraints) the focus groups told another story. During focus groups, participants provided a view that boards do experience constraint in operation and effectiveness. As is often reported by board members, time is a major challenge, compounded in the larger (northern) catchment areas where travel alone can be a significant time commitment. Other themes that were consistently reported during focus groups as adversely impacting board effectiveness included:

- new board members and the time required to "get up to speed" given the complexity of the issues;
- continuity of chairs – again with the complex environment, a need for a longer term than 1 year (succession was also identified as a key challenge for the board chair role);
- conflicting demands for college staff (to meet board requirement while attending to day to day operations);
- lack of predictable government funding that allows for effective long-term, strategic planning, as well as need for a better working relationship with the Ministry;
- need for long-term vision of college's contribution; and,
- the lack of resources (both time and financial) to develop, implement and participate in on-going learning and education.

Board Profile – Experience and Expertise

Board members bring deep experience in governance from both the public and private sectors.

Given the responsibility of the CCAC to oversee the approval of governor appointments within the college system, the survey did not focus specifically on current recruitment practices and challenges. The survey provides some interesting data with respect to the current state of expertise and experience that is being derived through the recruitment process. Based on the responses from current board members (questions 1c):

- over 55% of respondents have two years of board experience; and,
- forty-three percent (43%) have more than 3 years of board experience.

Given that Ontario college boards are made up of a mix of internal and external members, an analysis was undertaken to identify differences that may exist between the two groups (question 1c). Overall, external board members bring a greater degree of experience:

- forty-six percent (46%) of externally recruited board members reported 3 or more years of board experience;
- thirty-seven percent (37%) of internal board members had 3 or more years of experience; and,
- seventy-eight percent (78%) of senior college staff reported having more than 3 years of board experience.

Current board members of Ontario colleges bring a wealth of experience from both public and private sector boards (see Question 3). Not surprisingly, internal board members, have less experience on boards, both public and private than is the case with external board members:

- twenty-three percent (23%) of external members indicated no previous public sector board experience;
- forty-four percent (44%) of internal members indicated no previous experience; and,
- the variance between the two groups with respect to no private sector board experience is similar – 34% for external and 61% for internal members.

Overall, both internal and external board members bring extensive experience from both public and private sector boards.

Survey participants were asked, in two separate questions, to rate themselves as well as the board overall on level of expertise on a number of core areas of board operations and responsibilities (detailed findings can be found in Appendix C, questions 4 and 9). The results of this self-assessment suggest that the level of expertise of current boards is very strong – 70% or more of respondents identified the board overall as having a working ability or better (advanced expertise or expert) in 13 of 16 categories. Exhibit 1 presents the results of survey participants assessment of the board overall (the self-assessment at the incumbent level – question 4 – provides a very similar profile).

Board members bring significant expertise to the colleges on core, strategic areas.

Exhibit 1: Board Self Assessment Summary

Area of Board Responsibility	Minimal Operational Expertise	Working Ability or Better
Meeting Preparation and Management	13%	87%
Strategic Planning	14%	86%
Governance Practices and Accountability	16%	84%
Financial and Information Management	18%	82%
Development and Fostering of Positive and Appropriate Board Culture	19%	81%
Human Resources Management (relating to the President)	21%	79%
Vision Building	22%	78%
Identification and Addressing of Community Needs	24%	76%
Community and Business Partnership Development	26%	74%
Oversight of College Operations	28%	72%
Stakeholder Communication and Consultation	29%	71%
Continuous Quality Improvement	29%	71%
Knowledge and Understanding of Post-Secondary Education	30%	70%
Identification and Addressing of Government Priorities	32%	68%
Risk Management	32%	68%
Fundraising and Philanthropy	42%	58%

Analysis was also undertaken to assess the differences in levels of experience between board and non-board member assessments, and this is provided in Exhibit 2. As suggested below, there are marginal differences between the two groups with the most notable (albeit still fairly minimal) differences in:

- financial and information management;
- vision building, knowledge of the post-secondary sector;
- risk management;
- fundraising; and,
- the identification of government priorities.

Exhibit 2: Board Self Assessment Summary by Participant (Board/Non-Board)

Area of Board Responsibility	Board Members		Non-Board Members	
	Working Ability or Better	Minimal Operational Expertise	Working Ability or Better	Minimal Operational Expertise
Strategic Planning	88%	12%	82%	19%
Meeting Preparation and Management	87%	13%	88%	13%
Financial and Information Management	84%	17%	74%	26%
Governance Practices and Accountability	84%	16%	84%	16%
Development and Fostering of Positive and Appropriate Board Culture	81%	19%	79%	20%
Vision Building	80%	20%	73%	28%
Human Resources Management (relating to the President)	79%	21%	78%	23%
Identification and Addressing of Community Needs	74%	25%	77%	23%
Community and Business Partnership Development	73%	27%	74%	26%
Oversight of College Operations	73%	27%	72%	28%
Knowledge and Understanding of Post-Secondary Education	72%	28%	63%	37%
Risk Management	71%	28%	61%	39%
Stakeholder Communication and Consultation	71%	28%	70%	29%
Continuous Quality Improvement	70%	30%	75%	26%
Identification and Addressing of Government Priorities	65%	34%	74%	26%
Fundraising and Philanthropy	62%	38%	48%	52%

As detailed in Exhibit 2 board members reported the areas with the highest degree of minimal operational experience as follows:

- fundraising;
- identification and assessment of government priorities; and,
- risk management.

Please note, that in each case, the degree of "minimal operational experience" must be weighted against the strength of a "working ability" or better rating. For example, while 38% of current board members reported having minimal expertise/experience in fundraising, 62% of Board members reported having a working level experience/expertise or better. Given this balance, the finding (i.e. an approximate 40/60% split) does not raise any significant concerns. The 62% of board members with skills and abilities in fundraising and philanthropy can adequately equip the board for any role (oversight or direct) that it may play in this area. Moreover, during focus groups (and Steering Committee discussions), it was made clear that in the majority of cases, boards of governors are not responsible for fundraising. Many colleges have a separate foundation for fundraising where the appropriate expertise and experience resides.

Strategic risk management was not viewed as a particular strength on the boards but it was recognized as a significant and critical component of board responsibilities.

Risk Management was also reported at the lower end of the spectrum for strength in board experience and expertise -- although, again with the caveat that where 28% of current board members reported that minimal operational experience in this area, the balance (72%) brought a working level or better. While this suggests that risk management should not be of concern, during the focus groups it was suggested that this is in fact an area that requires a greater degree of rigour not only in policy and process, but also in core skills and expertise. The college boards reported confidence in managing risk on a discrete initiative basis; however the degree of confidence was lessened as the scope broadened. In summary, strategic risk management was not viewed as a particular strength on the boards but it was recognized as a significant and critical component of board responsibilities.

Identification and ability to address government priorities was the third area where the total respondent population reported minimal operational experience/expertise at 30%+. As the focus group participants made clear, given the complexity of government agendas, and the complexity of the context in which the government operates, a degree of uncertainty and a lack of clarity is inevitable. However, the recently released Post Secondary Education Review (*Ontario – a Leader in Learning*) suggests that "the lack of consistency and focus in a higher education strategy at the provincial level has, over time, had adverse consequences." This is a perspective echoed by focus group participants.

Lastly, while strategic planning was self-assessed as a strong skill and experience set across participants, consultations suggested that, in fact, there was a significant degree of variation in how "strategic planning" was understood. Overall, college boards could use additional support in the area of strategic planning, particularly to ensure a greater degree of consistency across the sector in terms of content and desired outcomes (recognizing the need for organizational specificity).

Of interest from the self assessment, are the differences in levels of expertise reported between internal and external board members (see Exhibit 3). In general, external board members reported a slightly higher degree of expertise.

Exhibit 3: Board Self Assessment Summary by Participant (Internal/External)

Area of Board Responsibility	Internally-Recruited		Externally-Recruited	
	Percentage Totals for Working Ability or Better	**Percentage Totals for Minimal Operational Experience**	**Percentage Totals for Working Ability or Better**	**Percentage Totals for Minimal Operational Experience**
Meeting Preparation and Management	89%	10%	90%	9%
Continuous Quality Improvement	89%	10%	80%	19%
Strategic Planning	84%	17%	90%	9%
Financial and Information Management	83%	17%	84%	15%
Governance Practices and Accountability	83%	16%	88%	11%
Development and Fostering of Positive and Appropriate Board Culture	79%	21%	86%	13%
Identification and Addressing of Community Needs	76%	24%	80%	19%
Vision Building	75%	24%	83%	16%
HR Management (President)	72%	28%	88%	11%
Community and Business Partnership Development	72%	28%	79%	20%
Stakeholder Communication and Consultation	67%	33%	74%	25%
Identification and Addressing of Government Priorities	67%	33%	69%	30%
Oversight of College Operations	66%	35%	75%	24%
Risk Management	65%	34%	74%	25%
Knowledge and Understanding of Post-Secondary Education	62%	38%	75%	24%
Fundraising and Philanthropy	59%	41%	66%	33%

Orientation

Current orientation practices are well respected and viewed as "value-added" in preparing governors for their roles.

Eight-seven percent (87%) of all respondents reported that a formal orientation process currently exists with 50% reporting orientation was mandatory (question 8). However, a much higher percentage of respondents (91% - question 8d) reported that orientation should be mandatory. In terms of the value of existing orientation programs to prepare board members for their responsibilities (questions 8e), 76% of respondents reported that current programs prepared them to a moderate (38%) or significant extent (38%). Key contributing factors to orientation program success included (question 8f):

- program timing;
- quality and comprehensiveness of learning materials; and,
- a knowledgeable facilitator.

From a content perspective, critical learning modules for effective orientation included (question 8 g):

- board roles and responsibilities;
- board vision, mission and mandate; and,
- college overview and profile.

Focus groups supported the degree to which the survey indicated strength and effectiveness of current orientation processes. Not only was the ACAATO orientation program viewed positively, but so too were the individual college orientation programs that focused on the unique operating environments. While not a universal practice, focus group participants strongly support "mentoring" for new members, both to ensure new members understand the culture and operations of the board, and also to deepen their understanding of the issues and challenges particular to the college that they serve. Focus group participants reported the following areas as important components of orientation:

- the college they serve (history, structure, programs, issues, etc.);
- the program approval process; and,
- the college system (issues, challenges, structure, etc.).

Seventy-eight percent (78%) felt that orientation should be mandatory.

While the vast majority of survey respondents reported that current orientation programs were effective in preparing board members for their responsibilities (76%), for those respondents that reported current orientation was limited in effectiveness, key areas of concern included each of the content, format and accessibility of programming (question 8h). Interestingly, this group of respondents identified the same critical modules for orientation success (i.e. efficacy in preparing board members for their responsibilities)

- board vision, mission, and mandate;
- roles and responsibilities; and,
- an overview and profile of the college (question 8i).

For the few participants that reported "no" (8%) or "unsure" (4%), about the existence of an orientation program, there was strong support that one should be in place (91%), and that it should be mandatory (78%).

Board Self Assessment

Board self assessment processes are not yet wide-spread, but where they are used, they are viewed positively.

All college boards are now required to undertake a formal performance evaluation process, although the process, dimensions/metrics, and outcomes of doing so are not defined. In this regard, focus group participants expressed some concern that there is not clarity in process and purpose . In other words, what results/metrics, to whom will results be available, and for what purpose?

Focus group participants stressed the need for each college to develop their own performance assessment tools in the context of their unique operating environments. While there was no desire to have a standard that all colleges would follow, common areas for assessment were viewed as valuable.

While performance measurement and management has become an essential component of board operations, only 60% of survey participants reported that a board self-assessment processes is currently in place (Appendix C, question 7a). These results are similar to a 2002, Deloitte/Gowling non-for-profit governance review (drawn from a mix of arts, education, health, voluntary sectors). At that time 45% of the 100 participants reported having no formal governance evaluation in place, while only 23% of respondents did have a formal process in place (balance of respondents had a less than annual process that included but was not focused on governance).

While there is clearly a need to focus on enhancing board performance management practices, of those respondents reporting the existence of a process, over 80% found the process not only fair but also action-oriented (89% - question 7a,b). Focus group participants supported the perspective that board self-assessment is necessary and a valuable part of board effectiveness. In addition to assessing practices and outcomes, there was strong support in the focus groups that board culture should also be assessed and addressed.

The degree of confidence in existing performance assessment practices differ significantly between internal and external board members:

- sixty percent (60%) of internal board members found the process fair, balanced and action-oriented; and,
- seventy-five percent (75%) of external board members found the process fair, balanced and action-oriented.

For those survey participants that indicated that a board assessment process did not exist, or were uncertain if one did exist, 86% supported implementation of such a practice. It was reported that a mix of both board level and incumbent level assessment would be desirable with a preference for board level assessment (Question 7c, d, e).

Board Learning and Development

Time and financial resources are the major impediment to developing and delivering board education.

Survey participants were asked to what extent their board assesses potential learning needs for the board itself (question 10a). As demonstrated below, there is significant variation across the survey participants:

- fifteen percent (15%) of respondents reported that their own board does so to a "significant extent";
- twenty-four percent (24%) reported to a "moderate" extent;
- thirty percent (30%) reported "to some extent"; and,
- over 25% reported that their board does not assess current board learning needs at all, or does so minimally.

Similarly, respondents reported significant variation in the degree to which their board provides "access" to learning and development opportunities to address identified learning needs (question 10b):

- 19% - to a significant extent;
- 28% - to a moderate extent;
- 30% - to some extent; and,
- 18% - minimally or not at all.

More broadly, participants were asked whether or not their current board provided for on-going development and learning opportunities (question 11):

- less than 20% of respondents reported "no."
- sixty-eight (68%) of respondents reported "yes"; and,
- the balance of respondents were "uncertain."

Despite constraints, boards are providing "just-in-time" learning and development for their members.

For those that reported "no," there was very strong support that the board should actively provide on-going training, learning and development opportunities (question 11e). The Deloitte/Gowling survey of 2002, found that of 100 organizations' boards (broad public sector), only 30% provided on-going training to their board members.

For those survey respondents that reported access to on-going learning opportunities, the most common timing (questions 11a) for learning and development was reported as either an annual process (32%) or on an "as required basis" (34%).

There is a clear preference for live and interactive learning with seminars and workshops the most frequently identified choices for delivery (question 11b). Of importance for the design of a longer-term learning strategy, is the fact that e-enabled, independent learning scored very low as a learning preference.

In support of board learning and development, less than one-third of respondents indicated that they were aware of an inventory of learning and development tools for board capacity building (question 11c).

The results of the survey, suggest that the current state of expertise that resides within the college boards is extremely high (based on self assessment). When asked during focus groups, however, participants were readily able to offer a list of areas/issues that require support in the context of on-going learning and development. In no particular order (or degree of magnitude), the common areas that emerged during the focus groups included:

- accountability practices and risk management;
- role of "my" college and the complexities of the broader college system;
- board liability;
- code of conduct;
- board culture; and,
- funding.

Findings and Conclusions

While both the survey and the focus group reveal a strong commitment to continual learning by college board members, the commitment comes with practical caveats. As always, time and financial resources are limited and are, as is the case with individual organizations, the major obstacles to the development, implementation and participation in on-going learning.

Based on the survey results, however, board members and senior staff reported that the current level of expertise is quite high across boards, albeit with some variation between internal and external members. Despite this high level of self-assessment, boards must be cognizant and responsive to the increasingly complex environment and ensure that learning and education are proactively managed. As noted in the best practices section, governance renewal is actively being pursued in the public sector. This is evidenced by recent studies focusing on each of federal crown corporations and the Ontario hospital sector.

Survey and focus groups suggest a "good news story." Given the reliance of the results on self-assessment, the good news must be taken with a note of caution.

Given that this study was intended to be a broad sweep of the college sector, further institutionally-specific assessment is required to ensure that good governance practices and related outcomes are being achieved. The importance of strengthening governance and accountability in the post-secondary education sector was recently emphasized in a report on Ontario's Post Secondary Education System entitled "*Ontario – a Leader in Learning*". While not specifically addressing the issue of board governance practices, the report does continually reference the need for improved accountability, performance measurement and results from Ontario's colleges and universities. Given this call for greater funding, and a better balance between system integration and specialization, the need for continual improvement in core governance and accountability practices has never been timelier. Colleges will increasingly be held to higher standards, and must be able to meet the tests of public disclosure and transparency not only on operating outcomes, but also on the governance and accountability frameworks used to plan, manage and monitor those outcomes.

3. External Governance Best Practices

Introduction

This section of the report provides an overview of a number of generally recognized "best practices" in board governance, with the often cited caveat that "one size does not fit all." While the broader public sector is actively engaged in governance renewal, recent market pressures have demanded that the private sector aggressively pursue enhanced governance in order to rebuild lost shareholder confidence. As such, many of the practices reviewed here are drawn from the private sector, particularly organizations that are publicly traded. However, with the notable exception of equity-based compensation practices and exchange-driven disclosure and reporting requirements, the limited literature on governance renewal in the public sector reports little difference in the standards of good governance between public and private sectors.

In addition to the various "best practices" noted below with respect to specific governance practices – recruitment, risk management, board structure, board assessment, etc. - there are a number of major Canadian, public sector initiatives that are worthy of highlighting – the federal Treasury Board' s review of crown corporation governance, British Columbia's Board Resourcing and Development Office and the recently completed review of hospital governance undertaken by the Ontario Hospital Association (OHA) and the Ontario Ministry of Health and Long-Term Care (MOHLTC).

Following an overview of each of these reviews, the report then presents the Deloitte model for effective governance for the not-for-profit sector. The model is used as a means to present both the Deloitte perspective as well as other best practices. Please see Appendix E for a select list of references consulted – organizations (websites) and publications.

Federal Crown Corporation Governance Renewal Initiative

In 2004, in light of Auditor General's report on sponsorship, advertising and public opinion research, the federal government thought it timely to undertake a review of governance and accountability in federal crown corporations. Similar to the discussion below with respect to Ontario hospitals, where the report addresses the Board of Directors, it acknowledges that while many best management practices have been introduced into crown corporations, there is a need to recognize existing weaknesses and to strengthen governance, and do to so through a series of mandatory measures, including:

- reviewing the role of public servants serving as directors with a view to restricting or eliminating their participation (achieving independence);
- continuing the practice of separating the role of Chair and CEO though legislative means;
- appointing the CEO to be the sole representative of management on a board;
- issuing to all new board members a "guidance letter" making explicit the expectations of the government;
- developing a charter to clearly define roles and responsibilities of the board;
- establishing training and professional development programs on public sector management and crowns through the Canada School of Public Service;

- establishing regular assessments of board effectiveness and the contribution of individual directors as a self-development tool – board assessment to be communicated by the Chair to the responsible Minister;
- encouraging boards to establish a financially-literate, three-person audit committee having oversight responsibility for integrity, investigations and risk management;
- establishing selection criteria for chairs and board profiles which will be made public by the government (as will the CEO selection criteria);
- developing a central web site to solicit potential candidates for director and chair positions (requires background and reference checks);
- reviewing the issue of board compensation;
- reviewing board responsibility for CEO selection; and,
- improving the appointment process and extending board terms to 4 years.

While not as comprehensive in scope, the Public Policy Forum recently published best practices and recommendations for reform in governor-in-council appointments. Recognizing that a significant portion of the federal government's work is delegated to agencies, boards and commissions, the report calls for the following key reforms in the area of board governance, including:

- engaging boards to determine required skills and competencies for current and future boards;
- ensuring board diversity as a measure of accountability and broadening perspective and knowledge (but competency and skill should be the key criterion for selection);
- providing board orientation and on-going training to board members; and,
- undertaking regular assessment of a board's effectiveness as well as assessment of individual board members.

More recently (February 2005), the Office of the Auditor General of Canada reported on the progress made with respect to crown corporation governance stating that the progress since their 2004 report was "unsatisfactory," underlining the on-going challenge and complexity of improving governance.

British Columbia Board Resourcing and Development Office (BRDO)

In 2001, B.C. government set up the BRDO to manage appointments to the Province's 400 boards with a focus on:

- assisting boards in identifying size, composition, and key areas of skill and experience required for Board membership;
- identifying and recruiting qualified individuals; and,
- promoting and supporting effective board performance through governance training and support.

The BRDO has a web-site to support both the dissemination of information and application process for becoming a board member, as well as providing a comprehensive "best practices" manual for public sector governance. Select key observations from this report are summarized below.

Board Selection Process

- Need for mix of personal attributes (e.g. team player, integrity, communications) and technical expertise (e.g. finance, sector, HR) required for board membership – development of a competency matrix that guides selection and is reviewed and updated as required.
- Members that are independent (from board management and material interest).
- Selection and approval of board members as the prerogative of the government (collaborative with board through governance committee).
- Selection based on need for defined skill sets.
- Need for long term process to renew board membership.

Board Responsibilities

In general, role to foster short and long term organizational success through a defined, written charter. In addition, other key responsibilities are:

- oversee the affairs of the organization;
- supervises management (through the CEO);
- sets the standards for organizational conduct; and,
- key leadership responsibilities include CEO compensation and succession; strategic planning, capital and operating budget approval; integrity of financial statements and internal controls; identification and mitigation of risks; performance monitoring; communications strategy; board governance and succession; code of conduct/conflict-of interest.

Committees

While Committee structure is dependent on an organization's unique culture, operating environment and demands, key committees include finance, governance, human resources and audit. All committees have clear terms of references and reporting processes.

Board Chair

A board chair bears the responsibility for (best practice – defined in a "job description"):

- managing the board;
- effective board performance and evaluations;
- managing conflict-of-interest;
- building internal (CEO) and external (e.g. ministry) working relationships; and,
- acting as the Board's spokesperson.

The chair of the board should be non-management (independence) as should the majority of directors.

Orientation and Professional Development

Orientation (not defined as mandatory) should include:

- governance structure, constitution, bylaws, role of the board, membership profiles, past minutes;
- building an understanding of the organization, operations, working environment (products/services; stakeholders; principal assets and liabilities; structure; risk

management strategy; key performance indicators; regulatory environment; disclosure); and

- build a link with key staff and other directors.

As is often the case, while the B.C. BRDO calls for on-going professional development, it is silent on content and approach. However, the report does note that professional development for directors should be funded by the organization and controlled though the governance/nomination committee. Typically training/education is delivered "just-in-time" or during the Board retreat.

Board Assessment

As is often noted in "best practices" governance literature, there is no single "best" practice for undertaking board assessment, although there is a preference that assessment should be as broad-based as possible including each of the full board, committees, chair and individual members. Combinations of self-assessment and peer review though a formal questionnaire against defined standards are the most common. Where cost is not a consideration, using a third party for interviews is ideal. Key topics to be covered in assessment include:

- effectiveness in discharging responsibilities;
- adequacy of process and decision making (information, committee structure, board composition, discussion time, etc.);
- committee effectiveness (culture, participation, communications);
- director's skills and expertise;
- director's preparation and participation (openness);
- record of attendance; and,
- ethical standards.

The key challenge in board assessment is not in creating the tool and process to undertake the assessment, the key challenge is what to do with the results (and how and with whom to share results). At best, board weaknesses are identified and a learning strategy developed to address, rectify and assess.

Ontario Hospital Sector Governance Review

In 2004, the Ontario Hospital Association with the support of the Ontario Ministry of Health and Long-Term Care published a discussion paper on governance renewal in the hospital sector (*Hospital Governance and Accountability in Ontario*, Maureen Quigley and Graham Scott). While a number of institutionally-specific governance reviews/renewal initiatives are noted in the discussion paper, in addition to the governance accreditation standards established by the Canadian Council on Health Services Accreditation (CCHSA), the report concludes that the state of governance across Ontario hospitals is lacking in effectiveness. In outlining a best practices Governance Policy Framework, the authors identify the following as key attributes:

- principles of governance and board accountabilities;
- roles and responsibilities of board of directors;
- roles and responsibilities of individual directors;
- selection criteria – shared skills and unique skill sets;
- board size and composition;

- terms to facilitate succession and renewal; and,
- corporate membership to provide a meaningful opportunity for community engagement.

Of particular note in the context of this present report, Quigley and Scott note that across the Ontario hospital sector, there is not a common approach or content either for board orientation nor for continuing education. As noted above, the report echoes best practice as being formal orientation with a focus on each of sector, organization and Board responsibilities with on-going education a mix of external educational opportunities and just-in-time learning during regular board meetings. Quigley and Scott also note that there is not a consistent approach to recruitment (varies from ad hoc to highly structured and based on skill-matrix) or performance assessment (in scope and frequency). As is often the case, other priorities and pressures often relegate processes related to building board capacity (recruitment, orientation, assessment and training) to a low priority.

The authors suggest that as the hospital sector continues its journey of governance renewal, there are two fundamentals:

- the establishment of understandable and user friendly templates to assist and guide individual hospitals in renewing their governance policies, practices and by-laws; and,
- a comprehensive, systematic and facilitated process to engage directors in actively debating the fundamentals of governance and to build their ownership of and commitment to renewed governance policies and practices.

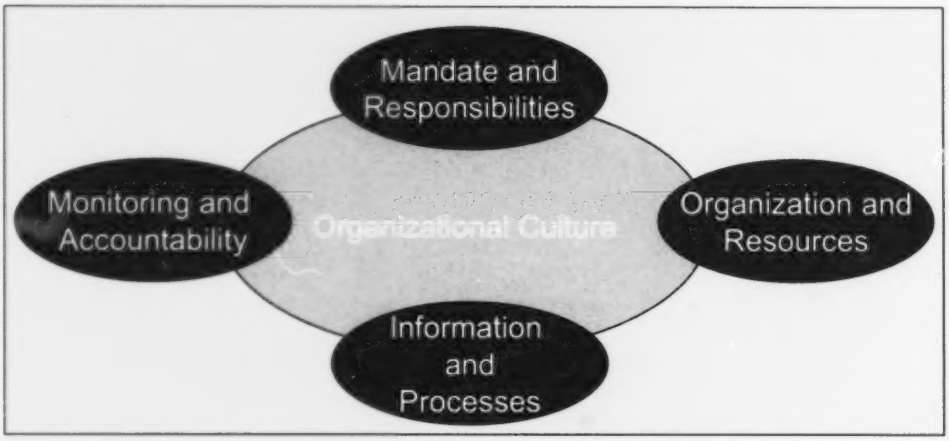
Deloitte – The Effective Not-For-Profit Board

As part of the response to the call for improved governance practices, structures, culture and, most importantly, outcomes, Deloitte, in 2004, published our second edition of *The Effective Not-for-Profit Board*. Drawing on both existing and emerging best practices, *The Effective Not-for-Profit Board* presents a five-part framework for effective board governance that has been borrowed for this report to provide a framework for presenting best practices in governance.

In both our research and in our client-based work, one of the most significant trends in not-for-profit (NPO) governance practices has been the shift to higher standards for governance in the not-for-profit sector borrowing largely from large, complex private sector companies (particularly in the publicly-traded space). While non-listed companies (e.g. not on the Toronto Stock Exchange) have a greater degree of latitude in the design and implementation of governance practices, increasingly organizations (both public and private sector) are emulating the high standards applied to public-traded companies' boards in the context of, for example, Sarbanes-Oxley Act (primarily in the U.S., but also in Canada). While public sector board members bear the same responsibility for organizational performance as do their private-sector counterparts, measuring success is recognizably more complex in a public sector environment. Where the private sector can rely on financial measures (shareholder value creation), public sector organizations must balance financial outcomes with less tangible measured objectives such as contributing to the public good.

The Deloitte NPO governance model, as noted, is a simple five-part framework (see Exhibit 4 below) integrating each of a board's mandate and responsibilities, monitoring and accountability, information and processes, organization and resources with its operating culture. Each of these is described in greater detail below.

Exhibit 4: NPO Governance Framework



Board Mandate and Responsibilities

Mandate

Boards must agree upon and ensure a shared understanding of vision, mandate and responsibilities.

Boards must formally articulate, agree upon and ensure a shared understanding of vision, mandate and responsibilities. Doing so ensures that all stakeholders in the broader governance framework (Board members, organizational staff, external stakeholders [community, students, business, government, etc.]) operate on a common framework, with shared expectations, goals and desired outcomes. Not only does a stated board mandate provide the critical component for operations, but it also provides the foundation against which to undertake on-going performance assessment and evaluation. Increasingly, stated board mandates are becoming an important component of board recruitment strategies, ensuring the prospective candidates understand and support the role of the board and the related expectations of membership.

Best practice mandate statements include commentary of each of the following:

- responsibilities;
- composition;
- recruitment and membership guidelines and practices;
- operating processes; and,
- evaluation.

Not only should the board mandate be published and readily available, but it also must be reviewed on a periodic basis to ensure on-going relevance and efficacy.

Board Responsibilities

With clearly defined roles and responsibilities, effective board members are able to maintain an attitude of constructive skepticism.

All boards, whether public or private, have a range of responsibilities as enacted by legal statute and other regulations. In general, the following key activities are recognized as being essential to core essence of a board's fundamental stewardship role:

- strategic planning – approval and monitoring;
- risk identification and management;
- management compensation, effectiveness and succession (typically limited to the CEO and potentially select other critical positions such as the CFO);

- communications with stakeholders; and,
- internal controls and management information systems and ability to assure stakeholders about the integrity of financial performance and reporting.

Clarity in the scope and nature of the board's responsibilities along each of these dimensions is essential as is a process to assess the Board's effectiveness.

Perhaps the most challenging issue related to board responsibilities is the appropriate division and related understanding between the board and the CEO and management team. Indeed, it is often the failure to clarify this division that results in a dysfunctional or ineffective board. Clarity in the division of responsibilities is essential in building a culture where the CEO is open and receptive to challenge and where a board is able to offer constructive scepticism.

Organization and Resources

Talented, experienced directors are becoming increasingly difficult to find and recruit.

Board membership and structure is the critical dimension of success and includes considerations such independence, number of members, qualifications of membership, structure of committees.

Director Attributes/Qualifications

The challenge for organizations is not in developing the list of desirable attributes for a director or governor, the challenge is in assessing a given nominee against those attributes. In general, a nominees' résumé and interview will demonstrate whether or not the nominee brings to the board those desired characteristics. Where time and resources permit, reference checks are invaluable. In general "best practice" attributes and qualifications include:

Documenting and assessing talent needs is essential to effective recruitment and board effectiveness.

- integrity;
- accountability;
- judgement;
- financial literacy;
- maturity and confidence (team work, communications);
- proven track record of results;
- sector-specific knowledge;
- network/connections; and,
- other specific content – legal, human resources, strategic planning, fundraising, marketing, etc.

Best practice ensures that the qualifications for directors/chairs are documented and used as a major component of the performance assessment process.

Board Size and Committee Composition

Smaller boards are often more cohesive and effective than larger boards.

While there is no right answer, boards of less than 5 to 7 members and greater than 16 – 18 members are generally viewed as being at the margins of best practice. A board of more than 18 may suffer from poor communications, stalled decision making, and lack of a sense of contribution. A board of less than 7 members may lack required skills, diversity and become overburdened with the responsibilities of board membership. Competency and contribution, however, will always trump size considerations.

In recent years, there has been a move to less rather than more board committees, and a focus on committees that are fundamentally focused on the board's strategic and high risk priorities – audit, risk, and compensation. Increasingly committees

focused on nomination and governance are becoming essential. Supplementing committees with non-board members is also viewed as an effective way to increase the scope of input to decision making without increasing the size of the board and the formal nature of decision making (non-board committee membership also provides a fertile recruitment pool).

Given the importance of each of the audit and governance/nomination committees, specific comments on each are provided below.

Audit Committee

There can be no substitute for financial literacy and expertise.

- absolute need for independent members of at least three members;
- demonstrated financial literacy (including recognized professional experience on the committee) and understand internal control environment as well as risk management;
- should meet, periodically, in the absence of any organizational staff;
- either fully responsible for audit relationship (e.g. hiring/termination) or provide recommendation; and,
- must review and approve additional work outside of the audit being performed by the audit firm.

Nomination/Governance Committees

In light of "governance renewal" initiatives, governance committees are critical.

Each board should have an independent nomination or governance committee to ensure an effective process for recruiting, nominating, appointing and orienting new direction to set the standards and ensure adequate skills, competencies and qualifications are maintained across the board as well as shaping governance for the organization. Research suggests that, similar to the demographic challenge being faced by the broader labour market, the availably of seasoned professionals for the role of director will become increasing challenging. As such, improved recruitment practise are viewed as an important risk mitigation strategy. In general, the preferred approach to candidate identification begins with a long-term view of the organization's challenges and risks and an assessment of the necessary leadership and technical skills required in the stewardship role.

In addition, nominating/governance committees may have responsibility for:

- statement of governance principles/policies;
- board size and composition;
- terms limits;
- limitations on outside activities of directors (e.g. limiting board participation in other organizations for reasons of (a) conflict of interest of (b) ensuring time commitments can be achieved);
- determination of attendance obligations;
- responsible for oversight of director's "ability to serve" (health, conflict of interest, other);
- committee assignment and rotation;
- effective succession planning process; and,
- performance assessment and continuing education.

Board Independence

"Independence" requirements place unique demands on "representative" boards.

Board composition with a majority of unrelated or "independent" directors has become the recognized standard. As defined in The Ontario Teachers' Pension Plan's *Good Governance is Good Business* (2005), "[a]n unrelated director is a director who is independent of management and is free of any interest or business relationship which could materially interfere with this director's ability to act in the best interests of the corporation, other than interests and relationships arising from being a shareholder" (9). While not all members of a board must be independent, key committee membership (audit, nominating, and compensation) should be.

Increasingly board protocols are being introduced to limit the number (and type) of boards that members (particularly chairs) are able to sit on. With an increased demand for real "value-add" from members, limiting the number of boards a member sits on becomes an important mechanism to ensure focus and contradiction (through limiting "distractions"). Moreover, with companies increasingly broadening their interests (multiple-sectors) there is increased rigour to ensure external conflict-of-interest is being managed.

Orientation and Continuing Board Education

Mandatory orientation is a benchmark best practice as is a commitment to planned (assessed) on-going education. However, while this standard has been set, planned and managed on-going education for directors/governors remains an evolving practice and the "just-in-time" strategy for learning and education remains the dominate force, supplemented most effectively with board retreats.

Information and Processes

Board Information

The balance between too much information and not enough information is a difficult one to find, although most complaints suggest too little information, or poor information, rather than too much information in support of board decision making. To ensure the right information and is available at the right time, an information plan should be developed that includes identifying accountability on both the management team and board side of the equation. Assessing the timeliness and quality of information should be a part of the annual board assessment process.

Board Meetings

The practical aspects of the board's meetings (agenda, information, presentation, discussion, decision time, etc.) are essential to effective governance. One of the most reported challenges board members acknowledge is lack of time, not only for preparation, but also for discussion and consideration.

Ensuring a record of the meeting's discussion is as important as is the decision to ensure preserving the board's collective, long-term memory as well as supporting transparency and accountability.

Key Processes - Risk Management

Strategic planning has long been recognized as the core essence of board responsibilities, although how the concept (strategic planning) translates into operational practices varies significantly, as do the outputs of the process. Given the business context of recent years, recognized risk management practices are becoming an increasingly important component of both strategic planning as well as board responsibilities overall. Historically strategic planning has functioned on a "SWOT" platform (strengths, weaknesses, opportunities, threats), but often translates into an operational business plan, rather than a risk-based, long term strategic plan.

Similarly to strategic planning, there are multiple approaches to risk management. In 2003, the Conference Board of Canada produced *Corporate Governance and Risk Management – the Integrated Tool* (available on-line at www.conferenceboard.ca). The tool focuses on a number of core dimensions at a very detailed level. The core areas are highlighted below:

- leadership and stewardship;
- empowerment and accountability;
- service and fairness (internal and external);
- accomplishment and measurement;
- communication and transparency; and,
- continuous learning and growth.

Against each of these core dimensions, the following key processes are then undertaken:

- risk identification;
- assessment;
- measurement;
- response;
- reporting; and,
- monitoring.

Key Process - Executive Performance Assessment

Board responsibility for the selection, evaluation and compensation of the CEO/president is viewed as one of a board's most critical responsibilities. In "best practice" models, CEO assessment is undertaken by a committee of the board, using a defined performance assessment tool. The scope and breadth of the process is dependent, but at its most fulsome includes some form of "360" review, and assessment of both qualitative (typically financial) and quantitative goals (leadership, communications, etc.). The literature of governance generally suggests that this is one area where boards are not performing to the highest standard (see, for example, *Beyond Compliance)*.

Monitoring and Accountability

Board Self Assessment

Not only should there be clarity in process (and tools), but there should be clear accountability and oversight for managing the process, reviewing results and determining action planning. Whether board self assessment should be undertaken at the individual, committee or board level (or some combination) is a choice dependent on board culture and structure. Options include (a mix) of interviews, surveys and group-based evaluations, all of which can be conducted with internal resources or using outside advisors.

While performance assessment processes focus on improving board performance, and like all performance assessments, demand a degree of confidentially, best practices suggest the need for some form of disclosure as a means of ensuring that evaluations are not only conducted, but are acted upon, and that improvements can be tracked and managed.

While there are many forms and tools available and elsewhere, one of the most comprehensive tools s available on-line from the Canadian Coalition for Good Governance (CCGG) (www.ccgg.ca - as the tool is focused on private sector corporations, not all dimensions will be relevant to public sector organizations). The document provides both "minimal standards" and "best practice" criteria against a number of key governance dimensions. In January of 2005, the CCGG published a series of guidelines for building high performance boards focusing on:

- director skills/competencies/attributes;
- assessment of independence;
- clarity in roles and responsibilities;
- board continuous improvement (include board performance assessment);
- succession planning;
- management oversight and strategic planning;
- management compensation; and,
- reporting and disclosure.

Appendix Three of this report (by the CCGG) also provides a sample board effectives survey – board responsibility, operations and effectives – as well as a peer assessment tool.

Stuart Spencer in *Getting the most from Board Evaluations* noted that "one size does not fit all," and in developing a board assessment tool, context and culture are important considerations. Areas that should be addressed in the evaluation process include:

- board organization;
- board process (agendas, meetings, bylaws);
- committees;
- communications; and,
- responsibilities.

Organizational Culture

Undoubtedly one of the most critical components to board effectiveness is the operating culture of the board – the degree of trust, openness, and transparency that exists between members and members and management. While the simple answer to creating a strong, productive operating culture is to ensure the right people are at the table, and to do so through a rigorous recruitment and selection process, the truth is that all boards will experience some degree of dysfunctional or non-productive behaviour. Ensuring that strong operating practices are in place to manage dissent, decision making and conflict resolution are ideal. In addition, ensuring that culture is assessed during the annual performance review is a further key mechanism in building and sustaining positive culture (people behave better when they know there is assessment and disclosure).

4. Next Steps

The purpose of this current review/study is to provide input and direction for a longer term strategy to both build and support capacity building for governance and accountability practices. While the survey and the focus group results suggest a "good news story" in terms of the current state, as noted earlier, this perspective should be taken with a measure of caution given that the results are based on self-assessment and that the scope of the review did not provide for an in-depth analysis of any given College and the series of policies, practices and tools that are being deployed for board governance.

Board governance practices within colleges do not operate on a common platform and there is a wide range of perceived effectiveness of the various processes and tools to support governance and accountability. While understanding that boards are responsible for their own capacity building through on-going learning and development, there is significant value to be realized in boards working together to share their learning and identified strengths. As was often noted during the study, while the 24 Colleges in Ontario share a number of attributes, given the highly unique environments in which each operates (size, complexity, language, location, etc.), a "one size fits all" answer to governance practices is not practical. Each college must self-assess in order identify existing strengths and challenges in governance effectiveness and the related requirement for a governance renewal process. Based on this study, and as discussed throughout the body of the report, high priority and critical areas to focus on include:

- developing and implementing a high calibre self-assessment process;
- on-going orientation and learning that addresses the varied skills, experience and expertise of board members;
- a comprehensive understanding of risk-management and the implementation of rigorous risk-based tools and processes to manage core areas across the college; and,
- improved communications between individual colleges and the government to ensure colleges are able to effectively plan and manage their business and operations in the context of government priorities and develop meaningful strategic plans.

There must be a common framework and set of standards against which each college is able to assess its own performance and effectiveness. Developing a knowledge management framework that supports the collection and disseminate of best practices will help to ensure that individual Colleges are able to easily access the tools and processes to support on-going governance enhancement.

Deloitte is of the view that the results of the study in combination with the overall context of governance renewal – public and private sector – provides adequate justification for undertaking Phase II of the current study – the design and implementation of a strategic governance renewal plan for colleges. As a first step, the college community should be consulted to provide feedback on this report to ensure it accurately reflects the reality of the current state of overall governance and accountability practices.

Appendix A: Committee Members

Co-Chairs

Janet Mason, ADM, Postsecondary Education Division

Beverley Townsend, Past Chair, Executive Committee of ACAATO Board of Directors

ACAATO - Board of Governors

Ron Persaud, Centennial College

Noella Milne, George Brown College

Guill Archambault, College Boreal

College Staff

Doug Auld, Loyalist College

Dan Patterson, Niagara College

VP Finance and Board Secretary - Scott Porter, Fanshawe College

College Compensation and Appointments Council

René Bouchard and Celia MacDonald

Shamira Madhany, Director, Colleges Branch

Secretariat

Kathryn Wycliffe (MTCU)

Marika McKetton(MTCU)

John Shalagan (MTCU)

Jo Sorochinsky (College Compensation and Appointments Council)

Bill Summers (ACAATO)

Appendix B: Survey

Colleges Governance and Accountability Capacity Enhancement Survey

Introduction

Welcome to the Colleges Governance and Accountability Capacity Enhancement Survey. As a component of the broader study, this survey is being distributed to Senior Management and Board Members of Ontario Colleges. The data collected from this questionnaire will be used to develop a strategy for enhancing and building governance capacity within Ontario Colleges.

The survey questions are grouped into three (3) core sections:

Part A – Participant Profile (4 questions)

Part B – Board Roles and Responsibilities (3 questions)

Part C – Board Learning and Development (5 questions)

The survey should take approximately 30 minutes to complete. **Your cooperation in submitting questionnaires no later than November 26, 2004 at 5:00pm is greatly appreciated.** The anticipated response rate for this survey is approximately 40%. Participants will receive reminders and follow-up to ensure a representative response rate across colleges, geographies, languages, and profiles.

Privacy and Confidentiality Statement

All responses to this survey will be treated as confidential by Deloitte & Touche LLP ("Deloitte"). The responses will be analyzed by Deloitte and Deloitte will report to our client, the Ontario Ministry of Finance; the Ministry of Training, Colleges and Universities and others on the direction of the Ministry of Finance and the Ministry of Training, Colleges and Universities; including but not limited to the Ontario colleges (collectively, the report recipients) only on an aggregate basis and Deloitte will not report to report recipients any specific responses by specific individuals that participate in the survey.

Deloitte's obligation of confidentiality may be subject to freedom of information legislation that applies to the public sector and that may require disclosure of information about the report and the survey in accordance with applicable freedom of information laws. Deloitte will take appropriate steps available under applicable freedom of information legislation to protect the confidentiality of the survey responses.

To the extent that Deloitte collects any personal information about individuals that participate in the survey, Deloitte will use that personal information solely for the purpose of preparing a report for report recipients that analyses the survey results on an aggregate basis. Deloitte will keep any such personal information confidential and secure and will not disclose the personal information to any third party, including report recipients, and will not use the personal information for any purpose other than as set out above. Deloitte will use reasonable commercial standards of technology and operational security to protect all information provided by survey participants from loss, misuse, alteration or destruction. Deloitte will use a survey tool called "survey monkey" to conduct the survey on a secure website.

Should you have any questions about the privacy and confidentiality of the survey, please contact Daisy Thomas at daisythomas@deloitte.ca or at 416 874 4373.

If you experience any technical difficulties or require assistance while completing the survey, please contact the Deloitte team: Daisy Thomas (416-874-4373 or daisythomas@deloitte.ca) or Sandra Haydon (416-643-8928 or shaydon@deloitte.ca).

Instructions

Please read the following before you enter the survey!

- The survey should take approximately 30 minutes to complete.
- If you experience any technical difficulties or require assistance while completing the survey, please contact the Deloitte team: Daisy Thomas (416-874-4373 or daisythomas@deloitte.ca) or Sandra Haydon (416-643-8928 or shaydon@deloitte.ca).
- Once you have completed the questionnaire, please return it by fax to Deloitte, attention Daisy Thomas at 416 874-4300.

Part A – Participant Profile

You have been invited to participate in this survey given your current or recent past involvement with a College Board of Governors. Please answer the following questions in relation to this role.

1 Please answer the following questions with respect to your role relating to the Board of Governors of an Ontario College:

a. Role:

- O Current member of a College Board of Governors
- O Past member of a College Board of Governors
- O Senior Management of a College not sitting on the Board of the College

b. College

- O Algonquin College
- O Canadore College
- O Collège Boréal
- O Cambrian College
- O Centennial College
- O Conestoga College
- O Confederation College
- O Fanshawe College
- O Georgian College
- O La Cité Collégiale
- O Durham College
- O George Brown College
- O Humber College
- O Lambton College
- O Loyalist College
- O Niagara College
- O St. Clair College
- O Sault College
- O Mohawk College
- O Northern College
- O St. Lawrence College
- O Seneca College
- O Sheridan College
- O Sir Sandford Fleming College

c. Years of Service

- O Less than 1 year
- O 1-2 years
- O 2-3 years
- O More than 3 years

d. Appointment Pool

- O Internal
- O External
- O Not applicable

2 On average, how many hours per month do you spend on Board responsibilities (including travel, meetings, preparation, review, etc.)?

- O Less than 8 hours
- O 9-16 hours
- O 17-24 hours
- O 25-32 hours
- O More than 32 hours

3 On how many Boards, other than for this College do you/have you serve(d)?

# of Boards	Public Sector Boards	Private Sector Boards
None	○	○
1-3	○	○
4-6	○	○
More than 6	○	○

4 Given your background and experience, please rate your level of current expertise in the following areas as they relate to your position as a Board member.

Definitions:

Aware: Knows about the existence of concept.

Understand: Knows core principles and practices, minimal or no operational experience.

Working Ability: Has had responsibility for participation as a team member dealing with this concept.

Advanced Expertise: Has led teams, projects, etc. relating to or dealing with this concept.

Expert: Is recognized by peers as an expert in this area; contributes to thought leadership and innovation.

Key Area of Board Responsibility	Level of Expertise: Self-Assessment				
	Aware	Understand	Working Ability	Advanced Experience	Expert
a. Vision Building	○	○	○	○	○
b. Strategic Planning	○	○	○	○	○
c. Financial and Information Management	○	○	○	○	○
d. Risk Management	○	○	○	○	○
e. Human Resources Management (relating to the President)	○	○	○	○	○
f. Stakeholder Communication and Consultation	○	○	○	○	○
g. Governance Practices and Accountability	○	○	○	○	○
h. Fundraising and Philanthropy	○	○	○	○	○
i. Community and Business Partnership Development	○	○	○	○	○
j. Knowledge and understanding of Post-Secondary Education	○	○	○	○	○
k. Identification and Addressing of Government Priorities	○	○	○	○	○
l. Identification and Addressing of Community Needs	○	○	○	○	○
m. Oversight of College Operations	○	○	○	○	○
n. Development and fostering of positive and appropriate Board culture.	○	○	○	○	○
o. Meeting Preparation and Management	○	○	○	○	○
p. Continuous Quality Improvement	○	○	○	○	○

Part B – Board Roles and Responsibilities

This portion of the survey includes various sections about the Board's roles and responsibilities. The purpose of this section is not to assess the effectiveness or performance of the Board nor the extent to which the Board fulfills its duties. The intent of this part of the survey is, rather, to identify areas of potential challenge and learning needs facing the Board.

5 For each of the key areas of Board responsibility identified below, please indicate whether or not <u>there exists an established Board process to manage this area</u>.

Key Area of Board Responsibility	Existence of Established Board Process to Manage Key Area of Responsibility			
	Yes	Somewhat	No	Uncertain
a. Vision Building	O	O	O	O
b. Strategic Planning	O	O	O	O
c. Financial and Information Management	O	O	O	O
d. Risk Management	O	O	O	O
e. Human Resources Management (relating to the President)	O	O	O	O
f. Stakeholder Communication and Consultation	O	O	O	O
g. Governance Practices and Accountability	O	O	O	O
h. Fundraising and Philanthropy	O	O	O	O
i. Community and Business Partnership Development	O	O	O	O
j. Knowledge and understanding of Post-Secondary Education	O	O	O	O
k. Identification and Addressing of Government Priorities	O	O	O	O
l. Identification and Addressing of Community Needs	O	O	O	O
m. Oversight of College Operations	O	O	O	O
n. Development and fostering of positive and appropriate Board culture	O	O	O	O
o. Meeting Preparation and Management	O	O	O	O
p. Continuous Quality Improvement	O	O	O	O

6 For each of the key areas of Board responsibility identified below, please rate the extent to which the Board is constrained in delivering its responsibilities in this area.

Key Area of Board Responsibility	Extent of Constraint					
	Significant	Moderate	Some	Minimal	None	Uncertain
a. Vision Building	O	O	O	O	O	O
b. Strategic Planning	O	O	O	O	O	O
c. Financial and Information Management	O	O	O	O	O	O
d. Risk Management	O	O	O	O	O	O
e. Human Resources Management (relating to the President)	O	O	O	O	O	O
f. Stakeholder Communication and Consultation	O	O	O	O	O	O
g. Governance Practices and Accountability	O	O	O	O	O	O
h. Fundraising and Philanthropy	O	O	O	O	O	O
i. Community and Business Partnership Development	O	O	O	O	O	O
j. Knowledge and understanding of Post-Secondary Education	O	O	O	O	O	O
k. Identification and Addressing of Government Priorities	O	O	O	O	O	O
l. Identification and Addressing of Community Needs	O	O	O	O	O	O
m. Oversight of College Operations	O	O	O	O	O	O
n. Development and fostering of positive and appropriate Board culture	O	O	O	O	O	O
o. Meeting Preparation and Management	O	O	O	O	O	O
p. Continuous Quality Improvement	O	O	O	O	O	O

q. **Please also indicate the <u>primary factor contributing to the constraint</u> placed on the Board in each of these areas.**

Key Area of Board Responsibility	Primary Cause of Constrain											
	Lack of understanding of Board's mandate and/or desired outcomes	Information constraints	Time constraints	Lack of required expertise/experience	Dysfunctional Board culture	Ineffectiveness/inefficiency of existing process	Insufficient/inappropriate supporting infrastructure	Limited access to outside professional advice and/or consultation	Unmet learning needs	Uncertain	Other	Not applicable – no constraint exists in this area
a. Vision Building	O	O	O	O	O	O	O	O	O	O	O	O
b. Strategic Planning	O	O	O	O	O	O	O	O	O	O	O	O
c. Financial and Information Management	O	O	O	O	O	O	O	O	O	O	O	O
d. Risk Management	O	O	O	O	O	O	O	O	O	O	O	O
e. Human Resources Management (relating to the President)	O	O	O	O	O	O	O	O	O	O	O	O
f. Stakeholder Communication and Consultation	O	O	O	O	O	O	O	O	O	O	O	O
g. Governance Practices and Accountability	O	O	O	O	O	O	O	O	O	O	O	O
h. Fundraising and Philanthropy	O	O	O	O	O	O	O	O	O	O	O	O
i. Community and Business Partnership Development	O	O	O	O	O	O	O	O	O	O	O	O
j. Knowledge and understanding of Post-secondary Education	O	O	O	O	O	O	O	O	O	O	O	O
k. Identification and Addressing of Government Priorities	O	O	O	O	O	O	O	O	O	O	O	O
l. Identification and Addressing of Community Needs	O	O	O	O	O	O	O	O	O	O	O	O
m. Oversight of College Operations	O	O	O	O	O	O	O	O	O	O	O	O
n. Development and fostering of positive and appropriate Board culture	O	O	O	O	O	O	O	O	O	O	O	O
o. Meeting Preparation and Management	O	O	O	O	O	O	O	O	O	O	O	O
p. Continuous Quality Improvement	O	O	O	O	O	O	O	O	O	O	O	O

Please answer the following questions relating to Board self-assessment.

7 The Board has developed and implemented an annual, formalized process to assess Board performance.

- O Yes (Please answer: 7a, 7b)
- O No (Please answer: 7c)
- O Uncertain (Please answer: 7c)

a. **The process of Board assessment is viewed as being fair and balanced.**

- O Strongly Agree
- O Agree
- O Neither Agree nor Disagree
- O Disagree
- O Strongly Disagree
- O Uncertain

b. **The process of Board assessment is viewed as providing the basis for developing an action plan for enhancement, where required.**

- O Strongly Agree
- O Agree
- O Neither Agree nor Disagree
- O Disagree
- O Strongly Disagree
- O Uncertain

c. **The Board could benefit from implementing an annual formalized self-assessment process.**

- O Strongly Agree (Please answer: 7d, 7e)
- O Agree (Please answer: 7d, 7e)
- O Disagree
- O Neither Agree nor Disagree
- O Strongly Disagree
- O Uncertain

d. **The assessment of the Board should focus on the Board's collective performance and progress rather than the contributions of individual members.**

- O Strongly Agree
- O Agree
- O Neither Agree nor Disagree
- O Disagree
- O Strongly Disagree
- O Uncertain

e. **The Board assessment should include individual member assessments.**

- O Strongly Agree
- O Agree
- O Neither Agree nor Disagree
- O Disagree
- O Strongly Disagree
- O Uncertain

Part C – Board Learning and Development

This portion of the survey assesses the learning and development approach and needs of the Board of Governors. Please respond to each question as indicated.

8 Does your College provide a formal orientation program for new Board members?

- O Yes (Please answer: 8c, 8d, 8e)
- O No (Please answer: 8a, 8b)
- O Uncertain (Please answer: 8a, 8b)

a. **Should the Board provide access to an orientation program for its Board members in preparation for their governance responsibilities?**

- O Yes (Please answer: 8i)
- O No
- O Uncertain

b. **Should this orientation be mandatory for new Board members?**

- O Yes
- O No
- O Uncertain

c. **Is this orientation program mandatory for new Board members?**

- O Yes
- O No
- O Uncertain

d. **Should this orientation be mandatory for new Board members?**

- O Yes
- O No
- O Uncertain

e. **To what extent does the organization's orientation for Board members adequately prepare them to fulfill their governance responsibilities?**

- O To a significant extent *(Please answer: 8f, 8g)*
- O To a moderate extent (Please answer: 8f, 8g)
- O To some extent (Please answer: 8f, 8g)
- O To a minimal extent (Please answer: 8h, 8i)
- O Not at all (Please answer: 8h, 8i)
- O Uncertain

f. **What are the critical factors that ensure the success of the Board's orientation program? Rank your top three (3) answers.**

- O Timing of program
- O Accessibility of program
- O Format of program (e.g., e-learning, self-study, classroom, small group, etc.)
- O "User-friendliness" of program
- O Comprehensiveness of learning modules
- O Quality and comprehensiveness of learning materials
- O Re-usability of learning materials for reference purposes
- O Knowledge of facilitator
- O Style of facilitator
- O Post-program follow-up and support
- O Uncertain
- O Other, please specify: _____

g. **What are the most important/critical learning modules included in Board orientation? Rank your top three (3) answers.**

- O College overview and profile
- O Board vision, mission, and mandate
- O Board strategic and business plan
- O Board structure and committees
- O Board roles and responsibilities
- O Board performance evaluation process
- O Board policy, process and operations
- O Board learning and development
- O Board liability
- O External stakeholder profile (e.g. government, community, business partners)
- O Risk Management
- O Human Resources Management (relating to the President)
- O Financial Management
- O College Post-Secondary issues, challenges and opportunities
- O Other, please specify: _____

h. **What are the factors that contribute to the limited success of the Board's orientation program? Rank your top three (3) answers.**

- O Inappropriate timing of program
- O Limited accessibility of program
- O Inappropriate format of program (e.g., e-learning, self-study, classroom, small group, etc.)
- O Limited "user-friendliness" of program
- O Limited comprehensiveness of learning modules
- O Limited quality and comprehensiveness of learning materials
- O Limited re-usability of learning materials for reference purposes
- O Limited knowledge of facilitator
- O Inappropriate style of facilitator
- O Limited post-program follow-up and support
- O Uncertain
- O Other, please specify: _____

i. **To ensure a comprehensive orientation, what learning modules should be included in Board Orientation? Rank your top three (3) answers.**

- O College overview and profile
- O Board vision, mission, and mandate
- O Board strategic and business plan
- O Board structure and committees
- O Board roles and responsibilities
- O Board performance evaluation process
- O Board policy, process and operations
- O Board learning and development
- O Board liability
- O External stakeholder profile (e.g. government, community, business partners)
- O Risk Management
- O Human Resources Management (relating to the President)
- O Financial Management
- O College Post-Secondary issues, challenges and opportunities
- O Other, please specify:_____

9 In each of the following areas, please rate the current level of expertise of the Board.

Definitions:

Aware: Knows about the existence of concept.

Understand: Knows core principles and practices, minimal or no operational experience.

Working Ability: Has had responsibility for participation as a team member dealing with this concept.

Advanced Expertise: Has led teams, projects, etc. relating to or dealing with this concept.

Expert: Is recognized by peers as an expert in this area; contributes to thought leadership and innovation.

Key Area of Board Responsibility	Current Level of Board Expertise				
	Aware	Understand	Working Ability	Advanced Experience	Expert
a. Vision Building	O	O	O	O	O
b. Strategic Planning	O	O	O	O	O
c. Financial and Information Management	O	O	O	O	O
d. Risk Management	O	O	O	O	O
e. Human Resources Management (relating to the President)	O	O	O	O	O
f. Stakeholder Communication and Consultation	O	O	O	O	O
g. Governance Practices and Accountability	O	O	O	O	O
h. Fundraising and Philanthropy	O	O	O	O	O
i. Community and Business Partnership Development	O	O	O	O	O
j. Knowledge and understanding of Post-secondary Education	O	O	O	O	O
k. Identification and Addressing of Government Priorities	O	O	O	O	O
l. Identification and Addressing of Community Needs	O	O	O	O	O
m. Oversight of College Operations	O	O	O	O	O
n. Development and fostering of positive and appropriate Board culture.	O	O	O	O	O
o. Meeting Preparation and Management	O	O	O	O	O
p. Continuous Quality Improvement	O	O	O	O	O

10 To what extent does the Board....

	... for Board Members?						... Senior College Management?					
	To a significant extent	To a moderate extent	To some extent	To a minimal extent	Not at all	Uncertain	To a significant extent	To a moderate extent	To some extent	To a minimal extent	Not at all	Uncertain
a. ....assess the learning needs...	O	O	O	O	O	O	O	O	O	O	O	O
b. .... provide access to learning and development opportunities to address these learning needs ...	O	O	O	O	O	O	O	O	O	O	O	O

11 Does the Board provide Board members with access to on-going development/learning opportunities?

- O Yes (Please answer: 11a,11 b,11c, 11d)
- O No (Please answer: 11e)
- O Uncertain (Please answer: 11e)

a. **How regularly are these learning programs available to Board members?**

- O Annually (once a year)
- O Quarterly (every 3 months)
- O Monthly (every month)
- O Ongoing (non-stop)
- O As required (periodically)
- O Not at all (never)
- O Uncertain

b. **What 3 formats of instruction are most effective for Board member learning and development? Rank your top three (3) answers.**

- O Classroom (primarily lecture)
- O Seminar or symposium (primarily presentation with opportunity for discussion)
- O Workshop (mix of lecture and practical application)
- O Case study and/or simulation (primarily practical application)
- O Paper based self-directed: independent, formal course/program
- O E-enabled self-directed: independent, formal course/program
- O Paper based self-study: independent, informal
- O E-enabled self-study: independent, informal
- O Other, please specify: _____

c. **Does an inventory of currently available developmental and educational tools exist for Board member reference?**

- O Yes
- O No
- O Uncertain

d. **Please indicate and comment on any existing learning opportunities and/or resources that currently serve your needs as a Board member well.**

e. **Should the Board offer development programs to its Board members?**

- O Yes (Please answer: 11f, 11g)
- O No
- O Uncertain

f. **How regularly should these programs be made available?**

- O Annually (once a year)
- O Quarterly (every 3 months)
- O Monthly (every month)
- O Ongoing (non-stop)
- O As required (periodically)
- O Not at all (never)
- O Uncertain

g. **What three (3) formats would be most effective for Board member learning and development? Rank your top three (3) answers.**

- O Classroom (primarily lecture)
- O Seminar or symposium (primarily presentation with opportunity for discussion)
- O Workshop (mix of lecture and practical application)
- O Case study and/or simulation (primarily practical application)
- O Paper based self-directed: independent, formal course/program
- O E-enabled self-directed: independent, formal course/program
- O Paper based self-study: independent, informal
- O E-enabled self-study: independent, informal
- O Other, please specify: _____

12 Do you have any other comments relating to College Board learning and development approach and/or need that you would like to pass along to the Deloitte team?

Thank you for taking the time to complete this survey. We truly appreciate your input into this study of College governance and accountability capacity enhancement. We look forward to aggregating your responses with other information we receive throughout this process to identify exciting opportunities for Colleges and their Board of Governors. Preliminary survey results will be presented at the ACAATO Annual Conference in February, 2005.

Additionally, you may be contacted to participate in one of several focus groups, to be held in early 2005.

Appendix C: Detailed Survey Findings

Section A – Participant Profile

This section of the survey required participants to respond to a series of questions on who they are (i.e. Board members or College Senior Staff), years of experience (as a member of a Board) and the time spent as a Board member. In addition, each participant was asked to self-assess their current level of expertise against 16 areas that are viewed as being critical to effective Board governance.

Please note: Where the term Board Member is used, this is not intended to be a reflection of entire population, but is limited only to those Board Members who responded to the survey.

Question 1a

Role Profile (n = 265)

Category	Number	Percentage
Board Members	197	74%
Senior Mgt (Non-Board)	68	26%

Question 1b

College Represented

Data not provided to ensure client confidentiality.

Question 1c

Years of Service (n = 258)

Years of Experience	Board Members	Senior Management (Non-Board)
Less than 1 year	23%	6%
1-2 years	22%	7%
2-3 years	12%	9%
More than 3 years	43%	78%

Question 1d

Appointment Pool - Externally vs. Internally Recruited (n = 241)

Category	Internal	External	Not Applicable
Board Members	36%	55%	9%

Question 2

On average, how many hours per month do you spend on Board responsibilities (including travel, meetings, preparation, review, etc.)? (n=262)

Time Commitments	% Reporting
Less than 8 hours	34%
9-16 hours	42%
17-24 hours	16%
25-32 hours	4%
More than 32 hours	5%

Additional Analysis Q2

Based on Participant Category - Board Member vs. Non-Board Member (n = 262)

Time Commitments	Board Members	Senior Management of a College (Non-Board)
Less than 8 hours	34%	33%
9-16 hours	43%	39%
17-24 hours	16%	15%
25-32 hours	4%	5%
More than 32 hours	4%	8%

Question 3

On how many Boards, other than for this College do you/have you serve(d)? n= 240

Board Experience	Public Sector Boards	Private Sector Boards
No other Boards	31%	47%
1-3 other Boards	50%	39%
4-6 other Boards	10%	9%
More than 6 other Boards	9%	5%

Additional Analysis, Q3

Board Service – Internal and External Recruit Profile

Applicant Pool	Type of Board	No other Boards	1-3 other Boards	4-6 other Boards	More than 6 other Boards
Externally-Recruited Board Members	Public Sector	23%	59%	11%	8%
	Private Sector	34%	45%	11%	11%
Internally-Recruited Board Members	Public Sector	44%	47%	5%	5%
	Private Sector	61%	33%	6%	0%

Question 4

Given your background and experience, please rate your level of current expertise in the following areas as they relate to your position as a Board Member.

Respondents were given five levels against which to self assess:

- Awareness – Knows about the existence of concept.
- Understanding – Knows core principles and practices, minimal or no operational experience.
- Working Ability – Has had responsibility for participation as a team member dealing with this concept.
- Advanced Expertise – Has led teams, projects, etc., relating to or dealing with this concept.
- Expert – Is recognized by peers as an expert in this area; contributes to thought leadership and innovation.

Taken together, the categories of "awareness" and "understanding" represent limited "hands-on" experience, while the remaining categories reflect varying degrees of practical application of the various roles and responsibilities of Board Members. As such, in order to simplify preliminary reporting, the first two and the last three categories have been consolidated, and are summarized below.

Current Level of Expertise (n = 254)

Area of Board Responsibility	Percentage Totals for Working Ability or Better	Percentage Totals for Minimal Operational Experience
Meeting Preparation and Management	89%	11%
Strategic Planning	86%	14%
Continuous Quality Improvement	85%	15%
Knowledge and Understanding of Post-Secondary Education	85%	15%
Vision Building	83%	17%
Governance Practices and Accountability	82%	18%
Stakeholder Communication and Consultation	79%	21%
Development and Fostering of Positive and Appropriate Board Culture	79%	21%
Financial and Information Management	78%	22%
Human Resources Management (relating to the President)	75%	25%
Identification and Addressing of Community Needs	73%	27%
Community and Business Partnership Development	72%	28%
Oversight of College Operations	70%	30%
Risk Management	68%	32%
Identification and Addressing of Government Priorities	66%	34%
Fundraising and Philanthropy	56%	44%

Additional Analysis Q4

Question 4 - Based on Participant Category

Area of Board Responsibility	Internally-Recruited		Externally-Recruited	
	Percentage Totals for Working Ability or Better	Percentage Totals for Minimal Operational Experience	Percentage Totals for Working Ability or Better	Percentage Totals for Minimal Operational Experience
Knowledge and Understanding of Post-Secondary Education	89%	12%	82%	18%
Meeting Preparation and Management	80%	20%	94%	7%
Strategic Planning	74%	26%	96%	4%
Continuous Quality Improvement	74%	25%	92%	8%
Vision Building	70%	30%	94%	7%
Stakeholder Communication and Consultation	70%	30%	84%	15%
Oversight of College Operations	70%	30%	68%	32%
Governance Practices and Accountability	68%	32%	94%	7%
Identification and Addressing of Community Needs	66%	34%	81%	19%
Development and Fostering of Positive and Appropriate Board Culture	66%	35%	90%	10%
Financial and Information Management	63%	37%	90%	10%
Community and Business Partnership Development	61%	39%	77%	23%
Identification and Addressing of Government Priorities	60%	39%	71%	29%
Human Resources Management (Relating to the President)	59%	41%	84%	16%
Risk Management	47%	52%	83%	17%
Fundraising and Philanthropy	47%	52%	60%	40%

Section B – Board Roles and Responsibilities

This section of the survey asked participants to respond to a series of questions focusing on the roles and responsibilities of the Board that they are currently a member of, including:

- existence of established operational processes
- the degree to which Board members experience constraints in delivering on their roles and responsibilities, and the reasons for the constraint
- the existence and effectiveness of Board assessment processes

Question 5

For each of the key areas of Board responsibility identified below, please indicate whether or not there exists an established Board process to manage this area. (n = 250)

Area of Board Responsibility	Yes	Somewhat	No	Uncertain
Financial and Information Management	87%	11%	1%	1%
Strategic Planning	86%	11%	2%	2%
Meeting Preparation and Management	79%	14%	4%	2%
Vision Building	77%	18%	3%	2%
Governance Practices and Accountability	75%	19%	3%	3%
Oversight of College Operations	75%	20%	4%	2%
Human Resources Management (relating to the President)	74%	20%	2%	4%
Development and Fostering of Positive and Appropriate Board Culture	65%	26%	6%	4%
Knowledge and Understanding of Post-Secondary Education	64%	30%	4%	2%
Community and Business Partnership Development	58%	32%	6%	5%
Identification and Addressing of Government Priorities	57%	34%	4%	5%
Identification and Addressing of Community Needs	57%	36%	4%	4%
Fundraising and Philanthropy	56%	30%	10%	4%
Stakeholder Communication and Consultation	54%	35%	4%	7%
Continuous Quality Improvement	50%	36%	9%	4%
Risk Management	44%	41%	7%	7%

Question 6

For each of the key areas of Board responsibility identified below, please rate the extent to which the Board is constrained in delivering its responsibilities in this area. (n = 223)

A list was provided giving the participant a choice of five levels of constraint to choose from:

- Significant
- Moderate
- Some
- Minimal
- None

For reporting purposes, the answers were consolidated as follows:

- Significant and Moderate were combined
- Some is reported individually
- Minimal and None were combined

Area of Board Responsibility	Significant-Moderate	Some	Minimal-None
Fundraising and Philanthropy	20%	25%	55%
Risk Management	20%	28%	53%
Identification and Addressing of Government Priorities	18%	20%	62%
Vision Building	17%	15%	68%
Financial and Information Management	16%	18%	66%
Community and Business Partnership Development	14%	20%	66%
Governance Practices and Accountability	14%	11%	76%
Continuous Quality Improvement	14%	19%	67%
Strategic Planning	13%	20%	67%
Stakeholder Communication and Consultation	13%	22%	66%
Oversight of College Operations	13%	16%	71%
Human Resources Management (relating to the President)	13%	13%	74%
Knowledge and Understanding of Post-Secondary Education	12%	20%	68%
Development and Fostering of Positive and Appropriate Board Culture	11%	10%	78%
Meeting Preparation and Management	9%	8%	83%
Identification and Addressing of Community Needs	9%	23%	68%

Additional Analysis Q6

Based on Participant Category

Extent of Constraint – Reported By Board Members

Area of Board Responsibility	Significant-Moderate	Some	Minimal-None
Fundraising and Philanthropy	21%	25%	54%
Financial and Information Management	18%	19%	64%
Risk Management	18%	31%	51%
Identification and Addressing of Government Priorities	16%	23%	61%
Vision Building	14%	17%	69%
Oversight of College Operations	14%	18%	68%
Continuous Quality Improvement	14%	18%	68%
Stakeholder Communication and Consultation	13%	19%	69%
Governance Practices and Accountability	13%	13%	74%
Strategic Planning	12%	20%	68%
Community and Business Partnership Development	12%	21%	68%
Human Resources Management (relating to the President)	11%	16%	73%
Knowledge and Understanding of Post-Secondary Education	11%	18%	71%
Development and Fostering of Positive and Appropriate Board Culture	11%	10%	79%
Meeting Preparation and Management	10%	6%	83%
Identification and Addressing of Community Needs	8%	23%	69%

Extent of Constraint – Reported Non-Board Members

Area of Board Responsibility	Significant-Moderate	Some	Minimal-None
Vision Building	25%	10%	65%
Risk Management	24%	20%	56%
Community and Business Partnership Development	23%	17%	59%
Identification and Addressing of Government Priorities	20%	16%	64%
Strategic Planning	18%	21%	62%
Human Resources Management (relating to the President)	18%	6%	77%
Fundraising and Philanthropy	18%	25%	58%
Stakeholder Communication and Consultation	16%	27%	57%
Governance Practices and Accountability	16%	6%	78%
Knowledge and Understanding of Post-Secondary Education	16%	25%	60%
Development and Fostering of Positive and Appropriate Board Culture	16%	15%	69%
Continuous Quality Improvement	14%	23%	64%
Financial and Information Management	13%	13%	74%
Identification and Addressing of Community Needs	12%	23%	66%
Oversight of College Operations	10%	12%	79%
Meeting Preparation and Management	10%	10%	80%

Extent of Constraint – Reported By Internally-Recruited Board Members

Area of Board Responsibility	Significant-Moderate	Some	Minimal-None
Vision Building	22%	17%	61%
Risk Management	23%	35%	42%
Community and Business Partnership Development	13%	29%	58%
Identification and Addressing of Government Priorities	15%	24%	61%
Strategic Planning	16%	17%	67%
Human Resources Management (relating to the President)	19%	19%	62%
Fundraising and Philanthropy	23%	35%	42%
Stakeholder Communication and Consultation	22%	23%	55%
Governance Practices and Accountability	19%	11%	69%
Knowledge and Understanding of Post-Secondary Education	18%	23%	59%
Development and Fostering of Positive and Appropriate Board Culture	13%	10%	77%
Continuous Quality Improvement	18%	19%	62%
Financial and Information Management	22%	24%	54%
Identification and Addressing of Community Needs	10%	24%	66%
Oversight of College Operations	19%	21%	60%
Meeting Preparation and Management	11%	10%	79%

Extent of Constraint – Externally-Recruited Board Members

Area of Board Responsibility	Significant-Moderate	Some	Minimal-None
Vision Building	14%	14%	72%
Risk Management	20%	23%	56%
Community and Business Partnership Development	11%	15%	73%
Identification and Addressing of Government Priorities	19%	21%	60%
Strategic Planning	10%	19%	71%
Human Resources Management (relating to the President)	9%	9%	82%
Fundraising and Philanthropy	18%	22%	60%
Stakeholder Communication and Consultation	11%	19%	70%
Governance Practices and Accountability	10%	13%	76%
Knowledge and Understanding of Post-Secondary Education	10%	15%	75%
Development and Fostering of Positive and Appropriate Board Culture	10%	9%	80%
Continuous Quality Improvement	12%	19%	69%
Financial and Information Management	11%	17%	72%
Identification and Addressing of Community Needs	7%	23%	70%
Oversight of College Operations	10%	16%	74%
Meeting Preparation and Management	9%	5%	86%

Question 6a

Primary factor contributing to the constraint placed on the Board in key areas. (n = 223)

Primary factor contributing to the constraint faced by the Board	
Not Applicable – no constraint exists in this area	28%
Time constraints	19%
Information constraints	14%
Lack of required expertise/experience	9%
Lack of understanding of Board's mandate/desired outcomes	9%
Other	8%
Ineffectiveness/inefficiency of existing process	4%
Insufficient/inappropriate supporting infrastructure	3%
Unmet learning needs	2%
Dysfunctional Board culture	2%
Limited access to outside professional advice/consultation	1%

Additional Analysis 6a

For those who answered (in question 6) that the Board was constrained in delivering its responsibilities from a Moderate to Significant Extent, the top three primary causes of constraint were further analyzed.

(n = 38)

For those answered "Significant – Moderate:, the primary factor contributing to the constraint faced by the Board	
Lack of required expertise/experience	17%
Lack of understanding of Board's mandate/desired outcomes	16%
Information constraints	12%
Not Applicable - no constraint exists in this area	10%
Time constraints	10%
Ineffectiveness/inefficiency of existing process	10%
Other	9%
Dysfunctional Board culture	8%
Insufficient/inappropriate supporting infrastructure	4%
Unmet learning needs	2%
Limited access to outside professional advice/consultation	2%

Question 6a - Based on Participant Category - Board Members

Area of Board Responsibility	Primary Reason for Constraint Board Members										
	Lack of Understanding	Information Constraints	Time Constraints	Lack of Required Expertise/ Experience	Dysfunctional Board Culture	Ineffectiveness/ Inefficiency of Existing Process	Insufficient/ Inappropriate Supporting Infrastructure	Limited Access to Outside Professional Advice/Consultation	Unmet Learning Needs	Other	Not applicable - no constraint exist in this area
Fundraising and Philanthropy	13%	6%	17%	16%	1%	3%	7%	2%	3%	8%	25%
Financial and Information Management	6%	22%	12%	11%	0%	3%	4%	1%	2%	10%	29%
Risk Management	12%	28%	5%	21%	0%	2%	5%	2%	5%	6%	15%
Identification and Addressing of Government Priorities	4%	28%	14%	9%	0%	5%	3%	2%	4%	11%	21%
Vision Building	6%	6%	31%	6%	2%	3%	1%	2%	1%	11%	31%
Oversight of College Operations	7%	27%	13%	3%	4%	1%	2%	1%	1%	11%	30%
Continuous Quality Improvement	12%	12%	11%	11%	2%	9%	6%	1%	1%	11%	27%
Stakeholder Communication and Consultation	9%	15%	27%	4%	2%	6%	3%	1%	1%	7%	25%
Governance Practices and Accountability	11%	7%	20%	9%	2%	4%	1%	2%	0%	6%	36%
Strategic Planning	6%	9%	28%	6%	2%	4%	6%	0%	0%	9%	31%
Community and Business Partnership Development	9%	6%	28%	6%	1%	3%	2%	3%	1%	9%	32%
Human Resources Management (relating to the President)	11%	20%	5%	7%	3%	7%	2%	1%	1%	10%	32%
Knowledge and Understanding of Post-Secondary Education	4%	24%	17%	12%	0%	2%	0%	1%	6%	3%	32%
Development and Fostering of Positive and Appropriate Board Culture	8%	0%	16%	3%	3%	6%	1%	5%	1%	3%	52%
Meeting Preparation and Management	1%	5%	26%	1%	0%	0%	2%	0%	0%	7%	57%
Identification and Addressing of Community Needs	4%	28%	9%	4%	0%	3%	6%	2%	5%	7%	31%

Additional Analysis:

Question 6a - based on Participant Category Non-Board Members

Area of Board Responsibility	Primary Reason for Constraint - Non-Board Members										
	Lack of Understanding	Information Constraints	Time Constraints	Lack of Required Expertise/ Experience	Dysfunctional Board Culture	Ineffectiveness/ Inefficiency of Existing Process	Insufficient/ Inappropriate Supporting Infrastructure	Limited Access to Outside Professional Advice/ Consultation	Unmet Learning Needs	Other	Not applicable – no constraint exist in this area
Vision Building	21%	9%	18%	12%	6%	0%	0%	0%	0%	9%	26%
Risk Management	14%	14%	16%	22%	0%	8%	5%	3%	11%	3%	5%
Community and Business Partnership Development	19%	6%	29%	10%	3%	0%	6%	0%	0%	10%	16%
Identification and Addressing of Government Priorities	6%	19%	19%	9%	0%	6%	3%	0%	3%	16%	19%
Strategic Planning	19%	3%	23%	13%	0%	6%	0%	3%	0%	6%	26%
Human Resources Management (relating to the President)	4%	7%	7%	21%	7%	4%	0%	0%	0%	11%	39%
Fundraising and Philanthropy	15%	0%	24%	15%	3%	0%	9%	0%	0%	18%	18%
Stakeholder Communication and Consultation	23%	6%	29%	3%	3%	13%	0%	0%	0%	10%	13%
Governance Practices and Accountability	19%	4%	19%	12%	12%	0%	0%	0%	0%	4%	31%
Knowledge and Understanding of Post-Secondary Education	3%	14%	26%	26%	3%	3%	0%	0%	11%	3%	11%
Development and Fostering of Positive and Appropriate Board Culture	14%	7%	21%	3%	14%	3%	0%	0%	0%	10%	28%
Continuous Quality Improvement	13%	10%	29%	19%	0%	6%	3%	6%	0%	3%	10%
Financial and Information Management	9%	11%	23%	9%	0%	3%	6%	0%	6%	6%	29%
Identification and Addressing of Community Needs	7%	37%	13%	13%	0%	7%	7%	0%	0%	7%	10%
Oversight of College Operations	19%	15%	11%	4%	0%	4%	0%	0%	4%	4%	41%
Meeting Preparation and Management	4%	0%	46%	4%	4%	4%	0%	0%	0%	0%	38%

Question 7

The Board has developed and implemented an annual, formalized process to assess Board performance.

(n = 236)

The Board has developed and implemented an annual formalized process to assess Board performance.	
Yes	60%
No	23%
Uncertain	17%

Question 7a

The process of Board assessment is viewed as being fair and balanced.

(n = 143)

The process of Board assessment is viewed as fair and balanced.	
Strongly Agree	29%
Agree	53%
Neither Agree nor Disagree	12%
Disagree	3%
Strongly Disagree	1%
Uncertain	2%

Question 7b

The process of Board assessment is viewed as providing the basis for developing an action plan for enhancement where required.

(n = 143)

The process of Board assessment is viewed as providing the basis for developing an action plan for enhancement where required.	
Strongly Agree	30%
Agree	54%
Neither Agree nor Disagree	7%
Disagree	7%
Strongly Disagree	1%
Uncertain	1%

Question 7c

The Board could benefit from implementing an annual formalized self-assessment. (n = 94)

The Board could benefit from implementing an annual formalized self- assessment process.	
Strongly Agree	46%
Agree	38%
Neither Agree nor Disagree	9%
Disagree	3%
Strongly Disagree	0%
Uncertain	4%

Question 7d

The assessment of the Board should focus on the Board's collective performance and progress rather than the contributions of individual members. (n = 78)

The assessment of the Board should focus on the Board's collective performance and progress rather than the contributions of individual members.	
Strongly Agree	40%
Agree	46%
Neither Agree nor Disagree	3%
Disagree	10%
Strongly Disagree	1%
Uncertain	0%

Question 7e

The Board assessment should include individual member assessments. (n = 79)

The Board assessment should include individual member assessments.	
Strongly Agree	22%
Agree	39%
Neither Agree nor Disagree	18%
Disagree	14%
Strongly Disagree	4%
Uncertain	4%

Section C – Board Learning and Development

Question 8

Does your College provide a formal orientation program for new Board Members? (n = 237)

Does your College provide a formal orientation program for new Board members?	
Yes	87%
No	8%
Uncertain	4%

Question 8a

Should the Board provide access to an orientation program for its Board members in preparation for their governance responsibilities?

(n = 33)

Should the Board provide access to an orientation program for its Board members in preparation for their governance responsibilities?	
Yes	91%
No	3%
Uncertain	6%

Question 8b

Should this orientation be mandatory for new Board members?

(n = 32)

Should this orientation be mandatory for new Board members?	
Yes	78%
No	16%
Uncertain	6%

Question 8c

Is this orientation program mandatory for new Board members?

(n = 206)

Is this orientation program mandatory for new Board members?	
Yes	50%
No	32%
Uncertain	18%

Question 8d

Should this orientation be mandatory for new Board members?

(n = 208)

Should this orientation be mandatory for new Board members?	
Yes	91%
No	6%
Uncertain	3%

Question 8e

To what extent does the organization's orientation for Board members adequately prepare them to fulfill their governance responsibilities? (n = 208)

To what extent does the organization's orientation for Board members adequately prepare them to fulfill their governance responsibilities?	
To a significant extent	38%
To a moderate extent	38%
To some extent	16%
To a minimal extent	6%
Not at all	0%
Uncertain	3%

Question 8f

What are the critical factors that ensure the success of the Board' orientation program? Rank your top three answers. (n=184)

Orientation Success Factors	Top Choice (1)	Second Choice (2)	Third Choice (3)	Overall
Quality and comprehensiveness of learning materials	28%	19%	12%	20%
Timing of program	31%	10%	11%	17%
Knowledge of facilitator	16%	12%	12%	13%
Post-program follow-up and support	3%	6%	22%	10%
Accessibility of program	5%	15%	8%	9%
Re-usability of learning materials for reference purposes	2%	12%	11%	8%
Format of program (e.g. e-learning self-study classroom small group etc.)	4%	11%	8%	8%
"User-friendliness" of program	4%	8%	7%	6%
Comprehensiveness of learning modules	6%	3%	3%	4%
Style of facilitator	1%	3%	4%	3%
Other	0%	0%	1%	0%

Question 8g

What are the most important/critical learning modules included in Board orientation? Rank your top three answers. (n = 184)

Respondents rated the following as their top three choices:

- Board roles and responsibilities
- Board vision, mission and mandate
- College overview and profile

Question 8h

What are the factors that contribute to the limited success of the Board's orientation program? Rank your top three answers. (n = 11)

The top three reasons for the limited success of the Board orientation program are:

- Limited quality and comprehensiveness of learning materials
- Inappropriate format of program
- Limited accessibility of program

Question 8i

To ensure a comprehensive orientation, what learning modules should be included in Board Orientation? Rank your top three answers. (n = 38)

Critical Learning Modules in Board Orientation	Top Choice (1)	Second Choice (2)	Third Choice (3)	Overall
Board roles and responsibilities	34%	18%	21%	24%
Board vision mission and mandate	32%	22%	10%	21%
College overview and profile	19%	6%	10%	12%
Board strategic and business plan	6%	18%	13%	12%
College Post-Secondary issues challenges and opportunities	4%	9%	9%	7%
Board policy process and operations	2%	12%	16%	10%
Financial Management	2%	3%	7%	4%
Human Resources Management (relating to the President)	1%	1%	3%	1%
Risk Management	1%	1%	1%	1%
External stakeholder profile (e.g. government community business partners)	1%	2%	2%	1%
Board structure and committees	1%	3%	2%	2%
Other	0%	0%	1%	1%
Board performance evaluation process	0%	1%	1%	1%
Board learning and development	0%	1%	3%	1%
Board liability	0%	5%	4%	3%

Question 9

In each of the following areas, please rate the current level of expertise that the Board should collectively possess to effectively fulfill its roles and responsibilities.

(n = 228)

Participants were given five choices to choose from:

- Aware
- Understand
- Working Ability
- Advanced Experience
- Expert

For reporting purposes, we combined the answers for Aware and Understand, and combined the answers for Working Ability, Advanced Experience, and Expert.

Area of Board Responsibility	Minimal Operational Expertise	Working Ability or Better
Meeting Preparation and Management	13%	87%
Strategic Planning	14%	86%
Governance Practices and Accountability	16%	84%
Financial and Information Management	18%	82%
Development and Fostering of Positive and Appropriate Board Culture	19%	81%
Human Resources Management (relating to the President)	21%	79%
Vision Building	22%	78%
Identification and Addressing of Community Needs	24%	76%
Community and Business Partnership Development	26%	74%
Oversight of College Operations	28%	72%
Stakeholder Communication and Consultation	29%	71%
Continuous Quality Improvement	29%	71%
Knowledge and Understanding of Post-Secondary Education	30%	70%
Identification and Addressing of Government Priorities	32%	68%
Risk Management	32%	68%
Fundraising and Philanthropy	42%	58%

Additional Analysis Q 9 - Based on Participant Category

Current Level of Board Expertise (Board vs. Non-Board)

Area of Board Responsibility	Board Members		Non-Board Members	
	Working Ability or Better	Minimal Operational Expertise	Working Ability or Better	Minimal Operational Expertise
Strategic Planning	88%	12%	82%	19%
Meeting Preparation and Management	87%	13%	88%	13%
Financial and Information Management	84%	17%	74%	26%
Governance Practices and Accountability	84%	16%	84%	16%
Development and Fostering of Positive and Appropriate Board Culture	81%	19%	79%	20%
Vision Building	80%	20%	73%	28%
Human Resources Management (relating to the President)	79%	21%	78%	23%
Identification and Addressing of Community Needs	74%	25%	77%	23%
Community and Business Partnership Development	73%	27%	74%	26%
Oversight of College Operations	73%	27%	72%	28%
Knowledge and Understanding of Post-Secondary Education	72%	28%	63%	37%
Risk Management	71%	28%	61%	39%
Stakeholder Communication and Consultation	71%	28%	70%	29%
Continuous Quality Improvement	70%	30%	75%	26%
Identification and Addressing of Government Priorities	65%	34%	74%	26%
Fundraising and Philanthropy	62%	38%	48%	52%

Current Level of Board Expertise (Internally vs. Externally Recruited)

Area of Board Responsibility	Internally-Recruited		Externally-Recruited	
	Percentage Totals for Working Ability or Better	Percentage Totals for Minimal Operational Experience	Percentage Totals for Working Ability or Better	Percentage Totals for Minimal Operational Experience
Meeting Preparation and Management	89%	10%	90%	9%
Continuous Quality Improvement	89%	10%	80%	19%
Strategic Planning	84%	17%	90%	9%
Financial and Information Management	83%	17%	84%	15%
Governance Practices and Accountability	83%	16%	88%	11%
Development and Fostering of Positive and Appropriate Board Culture	79%	21%	86%	13%
Identification and Addressing of Community Needs	76%	24%	80%	19%
Vision Building	75%	24%	83%	16%
Human Resources Management (Relating to the President)	72%	28%	88%	11%
Community and Business Partnership Development	72%	28%	79%	20%
Stakeholder Communication and Consultation	67%	33%	74%	25%
Identification and Addressing of Government Priorities	67%	33%	69%	30%
Oversight of College Operations	66%	35%	75%	24%
Risk Management	65%	34%	74%	25%
Knowledge and Understanding of Post-Secondary Education	62%	38%	75%	24%
Fundraising and Philanthropy	59%	41%	66%	33%

Question 10a

To what extent does the Board assess the learning needs for Board Members? (n = 229)

To what extent does the Board assess the learning needs for Board Members	
To a significant extent	15%
To a moderate extent	24%
To some extent	30%
To a minimal extent	19%
Not at all	8%
Uncertain	4%

Question 10b

To what extent does the Board provide access to learning and development opportunities to address these learning needs? (n = 229)

To what extent does the Board provide access to learning and development opportunities to address these learning needs?	
To a significant extent	19%
To a moderate extent	28%
To some extent	30%
To a minimal extent	14%
Not at all	4%
Uncertain	6%

Question 11

Does the Board provide Board members with access to on-going development/learning opportunities?

(n = 231)

Does the Board provide Board members with access to on-going development/learning opportunities?	
Yes	68%
No	17%
Uncertain	15%

Question 11a

How regularly are these learning programs available to Board Members? (n = 158)

How regularly are these learning programs available to Board members?	
Annually (once a year)	32%
Quarterly (every 3 months)	6%
Monthly (every month)	10%
Ongoing (non-stop)	10%
As required (periodically)	34%
Not at all (never)	0%
Uncertain	8%

Question 11b

What 3 formats of instruction are most effective for Board Member learning and development? Rank your top three answers. (n = 154)

Learning and Development Medium	Extremely Important (1)	Very Important (2)	Important (3)	Overall
Seminar or symposium (primarily presentation with opportunity for discussion)	43%	34%	17%	31%
Workshop (mix of lecture and practical application)	39%	38%	12%	30%
Case study and/or simulation (primarily practical application)	7%	13%	25%	15%
Classroom (primarily lecture)	4%	3%	15%	7%
Paper based self-directed (independent formal course/program)	1%	3%	7%	4%
Paper based self-study (independent informal)	1%	4%	5%	4%
Other	3%	1%	7%	3%
E-enabled self-directed (independent formal course/program)	0%	3%	8%	3%
E-enabled self-study (independent informal)	2%	1%	4%	2%

Question 11c

Does an inventory of currently available developmental and educational tools exist for Board member reference? (n = 157)

Does an inventory of currently available developmental and educational tools exist for Board member reference?	
Yes	29%
No	22%
Uncertain	49%

Question 11d

Please indicate and comment on any existing learning opportunities and/or resources that currently serve your needs as a Board Member well (Open-ended question).

- Board retreats, especially when guest speakers are invited;
- ACAATO conference and budgeting for attendance at other conferences of interest;
- taking time during Board meetings to address learning needs;
- guest speakers at meetings to present topics of relevance and importance to the Board;
- written materials (examples include Governor's Resource Manual, Orientation materials);
- mentoring opportunities between Board members;
- informal dialogue among Board Members; and,
- interaction with college staff (invitations to college functions, presentations by the Dean).

Question 11e

Should the Board offer development programs to its Board Members? (n = 72)

Should the Board offer development programs to its Board members?	
Yes	82%
No	8%
Uncertain	10%

Question 11f:

How regularly should these programs be made available? (n = 60)

How regularly should these programs be made available?	
Annually (once a year)	27%
Quarterly (every 3 months)	25%
Monthly (every month)	0%
Ongoing (non-stop)	10%
As required (periodically)	32%
Not at all (never)	0%
Uncertain	7%

Question 11g

What three formats would be most effective for Board Member learning and development? Rank your top three answers. (n = 59)

Learning and Development Medium	Extremely Important (1)	Very Important (2)	Important (3)	Overall
Workshop (mix of lecture and practical application)	49%	27%	10%	29%
Seminar or symposium (primarily presentation with opportunity for discussion)	32%	29%	20%	27%
Case study and/or simulation (primarily practical application)	7%	27%	32%	22%
Classroom (primarily lecture)	5%	2%	17%	8%
E-enabled self-study (independent informal)	7%	3%	10%	7%
E-enabled self-directed (independent formal course/program)	0%	7%	7%	5%
Paper based self-study (independent informal)	0%	3%	3%	2%
Paper based self-directed (independent formal course/program)	0%	2%	0%	1%
Other	0%	0%	0%	0%

Question 12

Do you have any other comments relating to College Board learning and development approach and/or need that you would like to pass along to the Deloitte team (open-ended question)?

Typical as in many surveys, only a small number of respondents provided additional comments. As such, responses should be read as select views and not representative of the entire survey sample. These comments are not verbatim, but consolidate similar comments.

- Board members need to have a clear understanding of the importance of their roles and training should be offered by either CCAC or MTCU.
- Uneven level of commitment, expertise and ability from Board members – not all members are fully engaged. Training and education is critical to effective Board membership; as is the recognition of the "volunteer" status and time demands on Board Members.
- The overriding objective of the Board is to ensure the college is managed "responsibly," and the Board is not involved in the vision, strategy or College operations. Where the President is viewed as capable, Boards follow the "lead" – if there is an expectation of greater involvement (e.g. in vision and strategy), the Board should be told so.
- Boards are not "decision-makers" – this can be a disincentive to participate. Working in an environment of changing government priorities can also be a challenge and a disincentive.
- Strong policy has enabled an effective Board – a Board that supports the President in strategy and is not operationally focused; a Board and a President who share a clear understanding of respective roles and responsibilities. Moreover, a focus on recruitment and development has resulted in a "high performance" Board that is informed and committed.
- Board members should be encouraged specifically by the Board Chair to take advantage of all available learning opportunities.
- Board structures should be assessed – the mix of external/internal candidates and the presence of staff, union. Also, the learning curve is steep, and limited terms can result in a loss of needed expertise.

Appendix D: Focus Group Guide

Deloitte.

Colleges Governance and Accountability Capacity Enhancement Survey

Focus Group

January 2005

Audit. Tax. Consulting. Financial Advisory.

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Project Overview

- Given the increasingly complex environment and heightened demands being placed on Ontario Colleges, the desired project outcome is to develop a strategy to assist College Boards in strengthening Board governance through a learning and development plan.
- Four key activities:
  - "Best Practices" review.
  - On-line survey of 265 participants (representing both college Board members and senior level staff).
  - Focus groups with select survey participants from across the province.
  - Development of a learning plan to respond to identified gaps or needs for enhanced Board governance in Ontario colleges.

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Project Overview

- Key areas of focus for the research and consultation include:
  - scope and depth of Board skills and expertise (self assessment)
  - existing practices and protocols
  - degree and nature of operational constraints
  - learning and development needs, tools and opportunities

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Agenda – Session Objectives

- Project Overview
- Presentation of Select Survey Findings
- Questions for Discussion – "roundtable"

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Select Key Findings

- Total of 265 participants (197 Board members, 68 college staff).
- "Good news" story.
- Over 40% of Board members bring three or more years Board experience (public and private sector).
- Over 50% of Board members spend between two and four days a month on Board responsibilities.
- Through a self assessment, overall current skills sets are viewed as strong (see Exhibit 1).
- Policies and Practices are in place to guide and manage areas of responsibility.
- Boards do not feel constrained by, for example, expertise, information, or time in fulfilling their responsibilities.

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Select Key Findings

- Board-level self assessment process was reported by 60% of participants, with strong support for a mandatory process.
- Where a Board-level self assessment was undertaken, it was viewed as being fair and balanced and provided the foundation for "action planning."
- The vast majority of Boards have access to an orientation program and reported that it was of value in preparing them for responsibilities.
- Thirty-nine percent of respondents reported that current learning needs are assessed to a moderate degree or better.
- Forty-seven percent of respondents reported access to learning and development opportunities to a moderate or significant extent.
- There appears to be a strong preference for workshops and other interactive forms for learning and development.

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Select Key Findings

- Areas of greatest strength include:
  - strategic planning
  - governance
  - financial mgmt
- Areas with lesser degrees of expertise include:
  - risk management
  - fundraising
  - gov't priority identification

Exhibit 1

Area of Board Responsibility	Minimal Operational Expertise	Working Ability or Better
Meeting Preparation and Management	13%	87%
Strategic Planning	14%	86%
Governance Practices and Accountability	16%	84%
Financial and Information Management	18%	82%
Development and Fostering of Positive and Appropriate Board Culture	19%	81%
Human Resources Management (relating to the President)	21%	79%
Vision Building	22%	78%
Identification and Addressing of Community Needs	24%	76%
Community and Business Partnership Development	26%	74%
Oversight of College Operations	28%	72%
Stakeholder Communication and Consultation	29%	71%
Continuous Quality Improvement	29%	71%
Knowledge and Understanding of Post-Secondary Education	30%	70%
Identification and Addressing of Government Priorities	32%	68%
Risk Management	32%	68%
Fundraising and Philanthropy	42%	58%

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Questions for Discussion

Roles and Responsibilities of the Board

- Based on Exhibit 1, what are the greatest areas of contribution made by the Boards to the Colleges?
- Do the survey findings of Board strengths and challenges align with expectations and experience?
- The survey indicated that Board members experience minimal constraints in fulfilling their responsibilities. Is this accurate?

Board Orientation and Assessment Processes

- Are current orientation processes adequate (strengths/weaknesses). What should be the focus of orientation programs to ensure new members are adequately prepared for responsibilities?
- Do existing Board-based self assessment processes provide value (and what is the nature of that value)? Are there risks to not undertaking Board self-assessment? Should there be a standardized process across all Colleges?

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Questions for Discussion

Training and Education

- Is there an adequate level of focus (e.g. assessment, planning, delivery) on Board training/learning? What is currently available?
- What are the greatest learning needs (priorities) – current and future?
- What are the most successful approaches to learning?
- What are the constraints for on-going learning?

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Appendix E: Select Sources Consulted

Organizations and Websites

Institute on Governance

Canadian Centre for Philanthropy

Canadian Institute of Chartered Accountants

The Corporate Library

Canadian Society of Association Executives

Voluntary Sector Network

Association of Community College Trustees

Canadian Coalition for Good Governance

American Society of Corporate Secretaries

Canadian Society of Corporate Secretaries

Institute of Corporate Directors

International Corporate Governance Network

National Association of Corporate Directors

British Columbia Board Resourcing and Development Office

Treasury Board of Canada

Office of the Auditor General of Canada

Select Publications

Australia Stock Exchange. Principles of Good Corporate Governance and Best Practices (2003).

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